

2.18 **ARTICLE 1**  
2.19 **GENERAL EDUCATION**

2.20 Section 1. Minnesota Statutes 2012, section 120A.20, subdivision 1, is amended to read:

2.21 Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or  
2.22 in part by state funds are public schools. Admission to a public school is free to any  
2.23 person who: (1) resides within the district that operates the school; (2) is under 21 years of  
2.24 age or who meets the requirements of paragraph (c); and (3) satisfies the minimum age  
2.25 requirements imposed by this section. Notwithstanding the provisions of any law to the  
2.26 contrary, the conduct of all students under 21 years of age attending a public secondary  
2.27 school is governed by a single set of reasonable rules and regulations promulgated by the  
2.28 school board.

2.29 (b) A person shall not be admitted to a public school (1) as a kindergarten pupil,  
2.30 unless the pupil is at least five years of age on September 1 of the calendar year in which  
2.31 the school year for which the pupil seeks admission commences; or (2) as a 1st grade  
2.32 student, unless the pupil is at least six years of age on September 1 of the calendar year in  
2.33 which the school year for which the pupil seeks admission commences or has completed  
2.34 kindergarten; except that any school board may establish a policy for admission of  
2.35 selected pupils at an earlier age under section 124D.02.

2.36 (c) A pupil who becomes age 21 after enrollment is eligible for continued free public  
2.37 school enrollment until at least one of the following occurs: (1) the first September 1 after  
2.38 the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3)  
2.39 the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4)  
2.40 the end of the school year.

3.1 Sec. 2. Minnesota Statutes 2012, section 120A.41, is amended to read:

3.2 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

3.3 A school board's annual school calendar must include at least 850 hours of  
3.4 instruction for a kindergarten student without a disability in an all-day every day  
3.5 kindergarten program, at least 425 hours of instruction for a kindergarten student without a  
3.6 disability in a kindergarten program that is not all-day every day, 935 hours of instruction  
3.7 for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7  
3.8 through 12, not including summer school. ~~Nothing in this section permits a school district~~  
3.9 ~~to adopt~~ A school board's annual calendar must include at least 165 days of instruction  
3.10 for a student in grades 1 through 11 unless a four-day week schedule unless has been  
3.11 approved by the commissioner under section 124D.126.

2.10 **ARTICLE 1**  
2.11 **GENERAL EDUCATION**

2.12 Section 1. Minnesota Statutes 2012, section 120A.20, subdivision 1, is amended to read:

2.13 Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or  
2.14 in part by state funds are public schools. Admission to a public school is free to any  
2.15 person who: (1) resides within the district that operates the school; (2) is under 21 years of  
2.16 age or who meets the requirements of paragraph (c); and (3) satisfies the minimum age  
2.17 requirements imposed by this section. Notwithstanding the provisions of any law to the  
2.18 contrary, the conduct of all students under 21 years of age attending a public secondary  
2.19 school is governed by a single set of reasonable rules and regulations promulgated by the  
2.20 school board.

2.21 (b) A person shall not be admitted to a public school (1) as a kindergarten pupil,  
2.22 unless the pupil is at least five years of age on September 1 of the calendar year in which  
2.23 the school year for which the pupil seeks admission commences; or (2) as a 1st grade  
2.24 student, unless the pupil is at least six years of age on September 1 of the calendar year in  
2.25 which the school year for which the pupil seeks admission commences or has completed  
2.26 kindergarten; except that any school board may establish a policy for admission of  
2.27 selected pupils at an earlier age under section 124D.02.

2.28 (c) A pupil who becomes age 21 after enrollment is eligible for continued free public  
2.29 school enrollment until at least one of the following occurs: (1) the first September 1 after  
2.30 the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3)  
2.31 the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4)  
2.32 the end of the school year.

2.33 Sec. 2. Minnesota Statutes 2012, section 120A.41, is amended to read:

2.34 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

2.35 A school board's annual school calendar must include at least 425 hours of  
2.36 instruction for a kindergarten student without a disability, 935 hours of instruction for a  
3.1 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7  
3.2 through 12, not including summer school. The school calendar for all-day kindergarten  
3.3 must include at least 850 hours of instruction for the school year. Nothing in this section  
3.4 permits a school district to adopt a four-day week schedule unless approved by the  
3.5 commissioner under section 124D.126.

**S0978-3**

1.25 Section 1. Minnesota Statutes 2012, section 120A.41, is amended to read:

1.26 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

1.27 A school board's annual school calendar must include at least 425 hours of  
1.28 instruction for a kindergarten student without a disability, 935 hours of instruction for a  
1.29 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7  
1.30 through 12, not including summer school. ~~Nothing in this section permits a school district~~  
2.1 ~~to adopt~~ A school board's annual calendar must include at least 165 days of instruction  
2.2 for a student in grades 1 through 11 unless a four-day week schedule ~~unless~~ has been  
2.3 approved by the commissioner under section 124D.126.

**UEH0630-1**

3.6 Sec. 3. Minnesota Statutes 2012, section 123A.73, subdivision 3, is amended to read:  
3.7 Subd. 3. **Voluntary dissolution; referendum revenue.** As of the effective date of  
3.8 the voluntary dissolution of a district and its attachment to one or more existing districts  
3.9 pursuant to section 123A.46, the authorization for all referendum revenues previously  
3.10 approved by the voters of all affected districts for those districts pursuant to section  
3.11 126C.17, subdivision 9, or its predecessor provision, is canceled. However, if all of the  
3.12 territory of any independent district is included in the enlarged district, and if the adjusted  
3.13 net tax capacity of taxable property in that territory comprises 90 percent or more of  
3.14 the adjusted net tax capacity of all taxable property in an enlarged district, the enlarged  
3.15 district's referendum revenue shall be determined as follows:  
  
3.16 The referendum revenue shall be the revenue per ~~resident marginal cost~~ adjusted  
3.17 pupil unit times the number of ~~resident marginal cost adjusted~~ pupil units in the enlarged  
3.18 district. Any new referendum revenue shall be authorized only after approval is granted  
3.19 by the voters of the entire enlarged district in an election pursuant to section 126C.17,  
3.20 subdivision 9.  
  
3.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
3.22 and later.

3.23 Sec. 4. Minnesota Statutes 2012, section 123A.73, subdivision 4, is amended to read:

3.24 Subd. 4. **Consolidation; maximum authorized referendum revenues.** (a) As  
3.25 of the effective date of a consolidation pursuant to section 123A.48, if the plan for  
3.26 consolidation so provides, or if the plan for consolidation makes no provision concerning  
3.27 referendum revenues, the authorization for all referendum revenues previously approved  
3.28 by the voters of all affected districts for those districts pursuant to section 126C.17,  
3.29 subdivision 9, or its predecessor provision shall be recalculated as provided in this  
3.30 subdivision. The referendum revenue authorization for the newly created district shall  
3.31 be the revenue per ~~resident marginal-cost adjusted~~ pupil unit that would raise an amount  
3.32 equal to the combined dollar amount of the referendum revenues authorized by each of  
3.33 the component districts for the year preceding the consolidation, unless the referendum  
4.1 revenue authorization of the newly created district is subsequently modified pursuant to  
4.2 section 126C.17, subdivision 9.

4.3 (b) The referendum allowance for a consolidated district in the years following  
4.4 consolidation equals the average of the consolidating districts' existing authorities for those  
4.5 years, weighted by the districts' ~~resident marginal-cost adjusted~~ pupil units in the year  
4.6 preceding consolidation. For purposes of this calculation, the referendum authorities used  
4.7 for individual districts shall not decrease from year to year until such time as all existing  
4.8 authorities for all the consolidating districts have fully expired, but shall increase if they  
4.9 were originally approved with consumer price index-based or other annual increases.

4.10 (c) The referendum revenue authorization for the newly created district shall continue  
4.11 for a period of time equal to the longest period authorized for any component district.

4.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
4.13 and later.

4.14 Sec. 5. Minnesota Statutes 2012, section 123A.73, subdivision 5, is amended to read:

4.15 Subd. 5. **Alternative method.** (a) As of the effective date of a consolidation  
4.16 pursuant to section 123A.48, if the plan for consolidation so provides, the authorization  
4.17 for all referendum revenues previously approved by the voters of all affected districts for  
4.18 those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision  
4.19 shall be combined as provided in this subdivision. The referendum revenue authorization  
4.20 for the newly created district may be any allowance per ~~resident marginal-cost adjusted~~  
4.21 pupil unit provided in the plan for consolidation, but may not exceed the allowance  
4.22 per ~~resident marginal-cost adjusted~~ pupil unit that would raise an amount equal to the  
4.23 combined dollar amount of the referendum revenues authorized by each of the component  
4.24 districts for the year preceding the consolidation.

3.12 Sec. 3. Minnesota Statutes 2012, section 123B.41, subdivision 7, is amended to read:

3.13 Subd. 7. **Elementary pupils.** "Elementary pupils" means pupils in grades  
 3.14 kindergarten through 6; provided, each kindergarten pupil in a half-day program shall be  
 3.15 counted as one-half pupil for all computations pursuant to sections 123B.40 to 123B.42,  
 3.16 and 123B.44 to 123B.48.

3.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 3.18 and later.

4.25 (b) The referendum allowance for a consolidated district in the years following  
 4.26 consolidation equals the average of the consolidating districts' existing authorities for those  
 4.27 years, weighted by the districts' ~~resident marginal cost~~ adjusted pupil units in the year  
 4.28 preceding consolidation. For purposes of this calculation, the referendum authorities used  
 4.29 for individual districts shall not decrease from year to year until such time as all existing  
 4.30 authorities for all the consolidating districts have fully expired, but shall increase if they  
 4.31 were originally approved with consumer price index-based or other annual increases.

4.32 (c) The referendum revenue authorization for the newly created district shall  
 4.33 continue for a period of time equal to the longest period authorized for any component  
 4.34 district. The referendum revenue authorization for the newly created district may be  
 4.35 modified pursuant to section 126C.17, subdivision 9.

5.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 5.2 and later.

5.3 Sec. 6. Minnesota Statutes 2012, section 123B.41, subdivision 7, is amended to read:

5.4 Subd. 7. **Elementary pupils.** "Elementary pupils" means pupils in grades  
 5.5 kindergarten through 6; provided, each kindergarten pupil in a half-day program shall be  
 5.6 counted as one-half pupil for all computations pursuant to sections 123B.40 to 123B.42,  
 5.7 and 123B.44 to 123B.48.

5.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

5.9 Sec. 7. Minnesota Statutes 2012, section 123B.42, subdivision 3, is amended to read:

5.10 Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized  
 5.11 instructional or cooperative learning materials, software or other educational technology,  
 5.12 and standardized tests provided for in this section for each school year must not exceed the  
 5.13 statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota  
 5.14 public elementary and secondary schools for textbooks, individualized instructional  
 5.15 materials and standardized tests as computed and established by the department by February  
 5.16 1 of the preceding school year from the most recent public school year data then available.

5.17 (b) The cost computed in clause (a) shall be increased by an inflation adjustment  
 5.18 equal to the percent of increase in the formula allowance, pursuant to section 126C.10,  
 5.19 subdivision 2, from the second preceding school year to the current school year.  
 5.20 Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in  
 5.21 section 126C.10, subdivision 2, the commissioner shall use the amount of the formula  
 5.22 allowance for the current year minus \$411 in determining the inflation adjustment for  
 5.23 fiscal years 2015 and 2016.

3.19 Sec. 4. Minnesota Statutes 2012, section 123B.88, subdivision 22, is amended to read:

3.20 Subd. 22. **Postsecondary enrollment options pupils.** Districts may provide bus  
3.21 transportation along school bus routes when space is available, for pupils attending  
3.22 programs at a postsecondary institution under the postsecondary enrollment options  
3.23 program. ~~The transportation is permitted only if it does not increase the district's~~  
3.24 ~~expenditures for transportation.~~ Fees collected for this service under section 123B.36,  
3.25 subdivision 1, paragraph (13), shall be subtracted from the authorized cost for nonregular  
3.26 transportation for the purpose of section 123B.92. A school district may provide  
3.27 transportation for a pupil participating in an articulated program operated under an  
3.28 agreement between the school district and the postsecondary institution.

3.29 Sec. 5. Minnesota Statutes 2012, section 123B.92, subdivision 1, is amended to read:

3.30 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the  
3.31 terms defined in this subdivision have the meanings given to them.

4.1 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
4.2 categories" means the quotient obtained by dividing:

4.3 (1) the sum of:

4.4 (i) all expenditures for transportation in the regular category, as defined in paragraph  
4.5 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

4.6 (ii) an amount equal to one year's depreciation on the district's school bus fleet  
4.7 and mobile units computed on a straight line basis at the rate of 15 percent per year for  
4.8 districts operating a program under section 124D.128 for grades 1 to 12 for all students in  
4.9 the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

4.10 (iii) an amount equal to one year's depreciation on the district's type III vehicles, as  
4.11 defined in section 169.011, subdivision 71, which must be used a majority of the time for  
4.12 pupil transportation purposes, computed on a straight line basis at the rate of 20 percent  
4.13 per year of the cost of the type three school buses by:

5.24 (c) The commissioner shall allot to the districts or intermediary service areas the  
5.25 total cost for each school year of providing or loaning the textbooks, individualized  
5.26 instructional or cooperative learning materials, software or other educational technology,  
5.27 and standardized tests for the pupils in each nonpublic school. The allotment shall not  
5.28 exceed the product of the statewide average expenditure per pupil, according to clause  
5.29 (a), adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils  
5.30 who make requests pursuant to this section and who are enrolled as of September 15 of  
5.31 the current school year.

### S0978-3

2.4 Sec. 2. Minnesota Statutes 2012, section 123B.88, subdivision 22, is amended to read:

2.5 Subd. 22. **Postsecondary enrollment options pupils.** Districts may provide bus  
2.6 transportation along school bus routes when space is available, for pupils attending  
2.7 programs at a postsecondary institution under the postsecondary enrollment options  
2.8 program. ~~The transportation is permitted only if it does not increase the district's~~  
2.9 ~~expenditures for transportation.~~ Fees collected for this service under section 123B.36,  
2.10 subdivision 1, paragraph (13), shall be subtracted from the authorized cost for nonregular  
2.11 transportation for the purpose of section 123B.92. A school district may provide  
2.12 transportation for a pupil participating in an articulated program operated under an  
2.13 agreement between the school district and the postsecondary institution.

2.14 Sec. 3. Minnesota Statutes 2012, section 123B.92, subdivision 1, is amended to read:

2.15 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the  
2.16 terms defined in this subdivision have the meanings given to them.

2.17 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
2.18 categories" means the quotient obtained by dividing:

2.19 (1) the sum of:

2.20 (i) all expenditures for transportation in the regular category, as defined in paragraph  
2.21 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

2.22 (ii) an amount equal to one year's depreciation on the district's school bus fleet  
2.23 and mobile units computed on a straight line basis at the rate of 15 percent per year for  
2.24 districts operating a program under section 124D.128 for grades 1 to 12 for all students in  
2.25 the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

2.26 (iii) an amount equal to one year's depreciation on the district's type III vehicles, as  
2.27 defined in section 169.011, subdivision 71, which must be used a majority of the time for  
2.28 pupil transportation purposes, computed on a straight line basis at the rate of 20 percent  
2.29 per year of the cost of the type three school buses by:

4.14 (2) the number of pupils eligible for transportation in the regular category, as defined  
4.15 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

4.16 (b) "Transportation category" means a category of transportation service provided to  
4.17 pupils as follows:

4.18 (1) Regular transportation is:

4.19 (i) transportation to and from school during the regular school year for resident  
4.20 elementary pupils residing one mile or more from the public or nonpublic school they  
4.21 attend, and resident secondary pupils residing two miles or more from the public  
4.22 or nonpublic school they attend, excluding desegregation transportation and noon  
4.23 kindergarten transportation; but with respect to transportation of pupils to and from  
4.24 nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

4.25 (ii) transportation of resident pupils to and from language immersion programs;

4.26 (iii) transportation of a pupil who is a custodial parent and that pupil's child between  
4.27 the pupil's home and the child care provider and between the provider and the school, if  
4.28 the home and provider are within the attendance area of the school;

4.29 (iv) transportation to and from or board and lodging in another district, of resident  
4.30 pupils of a district without a secondary school; and

4.31 (v) transportation to and from school during the regular school year required under  
4.32 subdivision 3 for nonresident elementary pupils when the distance from the attendance  
4.33 area border to the public school is one mile or more, and for nonresident secondary pupils  
4.34 when the distance from the attendance area border to the public school is two miles or  
4.35 more, excluding desegregation transportation and noon kindergarten transportation.

5.1 For the purposes of this paragraph, a district may designate a licensed day care facility,  
5.2 school day care facility, respite care facility, the residence of a relative, or the residence  
5.3 of a person or other location chosen by the pupil's parent or guardian, or an after-school  
5.4 program for children operated by a political subdivision of the state, as the home of a pupil  
5.5 for part or all of the day, if requested by the pupil's parent or guardian, and if that facility,  
5.6 residence, or program is within the attendance area of the school the pupil attends.

5.7 (2) Excess transportation is:

5.8 (i) transportation to and from school during the regular school year for resident  
5.9 secondary pupils residing at least one mile but less than two miles from the public or  
5.10 nonpublic school they attend, and transportation to and from school for resident pupils  
5.11 residing less than one mile from school who are transported because of full-service school  
5.12 zones, extraordinary traffic, drug, or crime hazards; and

2.30 (2) the number of pupils eligible for transportation in the regular category, as defined  
2.31 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

2.32 (b) "Transportation category" means a category of transportation service provided to  
2.33 pupils as follows:

2.34 (1) Regular transportation is:

3.1 (i) transportation to and from school during the regular school year for resident  
3.2 elementary pupils residing one mile or more from the public or nonpublic school they  
3.3 attend, and resident secondary pupils residing two miles or more from the public  
3.4 or nonpublic school they attend, excluding desegregation transportation and noon  
3.5 kindergarten transportation; but with respect to transportation of pupils to and from  
3.6 nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

3.7 (ii) transportation of resident pupils to and from language immersion programs;

3.8 (iii) transportation of a pupil who is a custodial parent and that pupil's child between  
3.9 the pupil's home and the child care provider and between the provider and the school, if  
3.10 the home and provider are within the attendance area of the school;

3.11 (iv) transportation to and from or board and lodging in another district, of resident  
3.12 pupils of a district without a secondary school; and

3.13 (v) transportation to and from school during the regular school year required under  
3.14 subdivision 3 for nonresident elementary pupils when the distance from the attendance  
3.15 area border to the public school is one mile or more, and for nonresident secondary pupils  
3.16 when the distance from the attendance area border to the public school is two miles or  
3.17 more, excluding desegregation transportation and noon kindergarten transportation.

3.18 For the purposes of this paragraph, a district may designate a licensed day care facility,  
3.19 school day care facility, respite care facility, the residence of a relative, or the residence  
3.20 of a person or other location chosen by the pupil's parent or guardian, or an after-school  
3.21 program for children operated by a political subdivision of the state, as the home of a pupil  
3.22 for part or all of the day, if requested by the pupil's parent or guardian, and if that facility,  
3.23 residence, or program is within the attendance area of the school the pupil attends.

3.24 (2) Excess transportation is:

3.25 (i) transportation to and from school during the regular school year for resident  
3.26 secondary pupils residing at least one mile but less than two miles from the public or  
3.27 nonpublic school they attend, and transportation to and from school for resident pupils  
3.28 residing less than one mile from school who are transported because of full-service school  
3.29 zones, extraordinary traffic, drug, or crime hazards; and

5.13 (ii) transportation to and from school during the regular school year required under  
 5.14 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
 5.15 border to the school is at least one mile but less than two miles from the public school  
 5.16 they attend, and for nonresident pupils when the distance from the attendance area border  
 5.17 to the school is less than one mile from the school and who are transported because of  
 5.18 full-service school zones, extraordinary traffic, drug, or crime hazards.

5.19 (3) Desegregation transportation is transportation within and outside of the district  
 5.20 during the regular school year of pupils to and from schools located outside their normal  
 5.21 attendance areas under a plan for desegregation mandated by the commissioner or under  
 5.22 court order.

5.23 (4) "Transportation services for pupils with disabilities" is:

5.24 (i) transportation of pupils with disabilities who cannot be transported on a regular  
 5.25 school bus between home or a respite care facility and school;

5.26 (ii) necessary transportation of pupils with disabilities from home or from school to  
 5.27 other buildings, including centers such as developmental achievement centers, hospitals,  
 5.28 and treatment centers where special instruction or services required by sections 125A.03  
 5.29 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
 5.30 where services are provided;

5.31 (iii) necessary transportation for resident pupils with disabilities required by sections  
 5.32 125A.12, and 125A.26 to 125A.48;

5.33 (iv) board and lodging for pupils with disabilities in a district maintaining special  
 5.34 classes;

5.35 (v) transportation from one educational facility to another within the district for  
 5.36 resident pupils enrolled on a shared-time basis in educational programs, and necessary  
 6.1 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils  
 6.2 with disabilities who are provided special instruction and services on a shared-time basis  
 6.3 or if resident pupils are not transported, the costs of necessary travel between public  
 6.4 and private schools or neutral instructional sites by essential personnel employed by the  
 6.5 district's program for children with a disability;

6.6 (vi) transportation for resident pupils with disabilities to and from board and lodging  
 6.7 facilities when the pupil is boarded and lodged for educational purposes;

6.8 (vii) transportation of pupils for a curricular field trip activity on a school bus  
 6.9 equipped with a power lift when the power lift is required by a student's disability or  
 6.10 section 504 plan; and

6.11 (viii) services described in clauses (i) to (vii), when provided for pupils with  
 6.12 disabilities in conjunction with a summer instructional program that relates to the  
 6.13 pupil's individualized education program or in conjunction with a learning year program  
 6.14 established under section 124D.128.

3.30 (ii) transportation to and from school during the regular school year required under  
 3.31 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
 3.32 border to the school is at least one mile but less than two miles from the public school  
 3.33 they attend, and for nonresident pupils when the distance from the attendance area border  
 3.34 to the school is less than one mile from the school and who are transported because of  
 3.35 full-service school zones, extraordinary traffic, drug, or crime hazards.

4.1 (3) Desegregation transportation is transportation within and outside of the district  
 4.2 during the regular school year of pupils to and from schools located outside their normal  
 4.3 attendance areas under a plan for desegregation mandated by the commissioner or under  
 4.4 court order.

4.5 (4) "Transportation services for pupils with disabilities" is:

4.6 (i) transportation of pupils with disabilities who cannot be transported on a regular  
 4.7 school bus between home or a respite care facility and school;

4.8 (ii) necessary transportation of pupils with disabilities from home or from school to  
 4.9 other buildings, including centers such as developmental achievement centers, hospitals,  
 4.10 and treatment centers where special instruction or services required by sections 125A.03  
 4.11 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
 4.12 where services are provided;

4.13 (iii) necessary transportation for resident pupils with disabilities required by sections  
 4.14 125A.12, and 125A.26 to 125A.48;

4.15 (iv) board and lodging for pupils with disabilities in a district maintaining special  
 4.16 classes;

4.17 (v) transportation from one educational facility to another within the district for  
 4.18 resident pupils enrolled on a shared-time basis in educational programs, and necessary  
 4.19 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils  
 4.20 with disabilities who are provided special instruction and services on a shared-time basis  
 4.21 or if resident pupils are not transported, the costs of necessary travel between public  
 4.22 and private schools or neutral instructional sites by essential personnel employed by the  
 4.23 district's program for children with a disability;

4.24 (vi) transportation for resident pupils with disabilities to and from board and lodging  
 4.25 facilities when the pupil is boarded and lodged for educational purposes;

4.26 (vii) transportation of pupils for a curricular field trip activity on a school bus  
 4.27 equipped with a power lift when the power lift is required by a student's disability or  
 4.28 section 504 plan; and

4.29 (viii) services described in clauses (i) to (vii), when provided for pupils with  
 4.30 disabilities in conjunction with a summer instructional program that relates to the  
 4.31 pupil's individualized education program or in conjunction with a learning year program  
 4.32 established under section 124D.128.

6.15 For purposes of computing special education initial aid under section 125A.76,  
 6.16 ~~subdivision~~ subdivisions 2 and 2a, the cost of providing transportation for children with  
 6.17 disabilities includes (A) the additional cost of transporting a homeless student from a  
 6.18 temporary nonshelter home in another district to the school of origin, or a formerly  
 6.19 homeless student from a permanent home in another district to the school of origin but  
 6.20 only through the end of the academic year; and (B) depreciation on district-owned school  
 6.21 buses purchased after July 1, 2005, and used primarily for transportation of pupils with  
 6.22 disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation  
 6.23 costs included in the disabled transportation category must be excluded in calculating the  
 6.24 actual expenditure per pupil transported in the regular and excess transportation categories  
 6.25 according to paragraph (a). For purposes of subitem (A), a school district may transport  
 6.26 a child who does not have a school of origin to the same school attended by that child's  
 6.27 sibling, if the siblings are homeless.

6.28 (5) "Nonpublic nonregular transportation" is:

6.29 (i) transportation from one educational facility to another within the district for  
 6.30 resident pupils enrolled on a shared-time basis in educational programs, excluding  
 6.31 transportation for nonpublic pupils with disabilities under clause (4);

6.32 (ii) transportation within district boundaries between a nonpublic school and a  
 6.33 public school or a neutral site for nonpublic school pupils who are provided pupil support  
 6.34 services pursuant to section 123B.44; and

6.35 (iii) late transportation home from school or between schools within a district for  
 6.36 nonpublic school pupils involved in after-school activities.

7.1 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for  
 7.2 educational programs and services, including diagnostic testing, guidance and counseling  
 7.3 services, and health services. A mobile unit located off nonpublic school premises is a  
 7.4 neutral site as defined in section 123B.41, subdivision 13.

7.5 **EFFECTIVE DATE.** This section is effective July 1, 2013.

7.6 Sec. 6. Minnesota Statutes 2012, section 123B.92, subdivision 5, is amended to read:

7.7 Subd. 5. **District reports.** (a) Each district must report data to the department as  
 7.8 required by the department to account for transportation expenditures.

4.33 For purposes of computing special education initial aid under section 125A.76,  
 4.34 subdivision 2, the cost of providing transportation for children with disabilities includes  
 4.35 (A) the additional cost of transporting a homeless student from a temporary nonshelter  
 4.36 home in another district to the school of origin, or a formerly homeless student from a  
 5.1 permanent home in another district to the school of origin but only through the end of  
 5.2 the academic year; and (B) depreciation on district-owned school buses purchased after  
 5.3 July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated  
 5.4 according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the  
 5.5 disabled transportation category must be excluded in calculating the actual expenditure  
 5.6 per pupil transported in the regular and excess transportation categories according to  
 5.7 paragraph (a). For purposes of subitem (A), a school district may transport a child who  
 5.8 does not have a school of origin to the same school attended by that child's sibling, if  
 5.9 the siblings are homeless.

5.10 (5) "Nonpublic nonregular transportation" is:

5.11 (i) transportation from one educational facility to another within the district for  
 5.12 resident pupils enrolled on a shared-time basis in educational programs, excluding  
 5.13 transportation for nonpublic pupils with disabilities under clause (4);

5.14 (ii) transportation within district boundaries between a nonpublic school and a  
 5.15 public school or a neutral site for nonpublic school pupils who are provided pupil support  
 5.16 services pursuant to section 123B.44; and

5.17 (iii) late transportation home from school or between schools within a district for  
 5.18 nonpublic school pupils involved in after-school activities.

5.19 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for  
 5.20 educational programs and services, including diagnostic testing, guidance and counseling  
 5.21 services, and health services. A mobile unit located off nonpublic school premises is a  
 5.22 neutral site as defined in section 123B.41, subdivision 13.

5.23 **EFFECTIVE DATE.** This section is effective July 1, 2013.



7.9 (b) Salaries and fringe benefits of district employees whose primary duties are  
7.10 other than transportation, including central office administrators and staff, building  
7.11 administrators and staff, teachers, social workers, school nurses, and instructional aides,  
7.12 must not be included in a district's transportation expenditures, except that a district may  
7.13 include salaries and benefits according to paragraph (c) for (1) an employee designated  
7.14 as the district transportation director, (2) an employee providing direct support to the  
7.15 transportation director, or (3) an employee providing direct transportation services such as  
7.16 a bus driver or bus aide.

7.17 (c) Salaries and fringe benefits of the district employees listed in paragraph (b),  
7.18 clauses (1), (2), and (3), who work part time in transportation and part time in other areas  
7.19 must not be included in a district's transportation expenditures unless the district maintains  
7.20 documentation of the employee's time spent on pupil transportation matters in the form  
7.21 and manner prescribed by the department.

7.22 (d) A school district that contracts for transportation service may allocate  
7.23 transportation expense to transportation categories based upon contract rates. Districts  
7.24 may only allocate transportation expense to transportation categories based upon contract  
7.25 rates if contract rates are reasonably consistent on a cost-per-hour, cost-per-mile,  
7.26 cost-per-route, or cost-per-student basis. In order to allocate transportation expense based  
7.27 upon contract rates, a school district, if audited, must be able to demonstrate to the auditor  
7.28 that variances in the application of transportation cost basis rates are appropriate.

7.29 (e) Pupil transportation expenditures, excluding expenditures for capital outlay,  
7.30 leased buses, student board and lodging, crossing guards, and aides on buses, must be  
7.31 allocated among transportation categories based on cost-per-mile or cost-per-student  
7.32 regardless of whether the transportation services are provided on district-owned or  
7.33 contractor-owned school buses. Expenditures for school bus driver salaries and fringe  
7.34 benefits may either be directly charged to the appropriate transportation category or may  
7.35 be allocated among transportation categories based on cost-per-mile or cost-per-student.  
8.1 Expenditures by private contractors or individuals who provide transportation exclusively  
8.2 in one transportation category must be charged directly to the appropriate transportation  
8.3 category. Transportation services provided by contractor-owned school bus companies  
8.4 incorporated under different names but owned by the same individual or group of  
8.5 individuals must be treated as the same company for cost allocation purposes.

8.6 ~~(e) Notwithstanding paragraph (d), districts contracting for transportation services~~  
 8.7 ~~are exempt from the standard cost allocation method for authorized and nonauthorized~~  
 8.8 ~~transportation categories if the district: (1) bids its contracts separately for authorized and~~  
 8.9 ~~nonauthorized transportation categories and for special transportation separate from regular~~  
 8.10 ~~and excess transportation; (2) receives bids or quotes from more than one vendor for these~~  
 8.11 ~~transportation categories; and (3) the district's cost-per-mile does not vary more than ten~~  
 8.12 ~~percent among categories, excluding salaries and fringe benefits of bus aides. If the costs~~  
 8.13 ~~reported by the district for contractor-owned operations vary by more than ten percent~~  
 8.14 ~~among categories, the department shall require the district to reallocate its transportation~~  
 8.15 ~~costs, excluding salaries and fringe benefits of bus aides, among all categories.~~

8.16 EFFECTIVE DATE. This section is effective for revenue for fiscal year 2014  
 8.17 and later.

### UEH0630-1

5.32 Sec. 8. Minnesota Statutes 2012, section 123B.92, subdivision 9, is amended to read:

6.1 Subd. 9. **Nonpublic pupil transportation aid.** (a) A district's nonpublic pupil  
 6.2 transportation aid for the 1996-1997 and later school years for transportation services for  
 6.3 nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this  
 6.4 section, equals the sum of the amounts computed in paragraphs (b) and (c). This aid does  
 6.5 not limit the obligation to transport pupils under sections 123B.84 to 123B.87.

6.6 (b) For regular and excess transportation according to subdivision 1, paragraph (b),  
 6.7 clauses (1) and (2), an amount equal to the product of:

6.8 (1) the district's actual expenditure per pupil transported in the regular and excess  
 6.9 transportation categories during the second preceding school year; times

6.10 (2) the number of nonpublic school pupils residing in the district who receive regular  
 6.11 or excess transportation service or reimbursement for the current school year; times

6.12 (3) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for  
 6.13 the current school year to the formula allowance pursuant to section 126C.10, subdivision  
 6.14 2, for the second preceding school year.

6.15 (c) For nonpublic nonregular transportation according to subdivision 1, paragraph  
 6.16 (b), clause (5), an amount equal to the product of:

6.17 (1) the district's actual expenditure for nonpublic nonregular transportation during  
 6.18 the second preceding school year; times

8.18 Sec. 7. Minnesota Statutes 2012, section 124D.02, subdivision 1, is amended to read:

8.19 Subdivision 1. **Kindergarten instruction.** The board may establish and maintain  
 8.20 one or more kindergartens for the instruction of children and after July 1, 1974, shall  
 8.21 provide kindergarten instruction for all eligible children, either in the district or in  
 8.22 another district. All children to be eligible for kindergarten must be at least five years  
 8.23 of age on September 1 of the calendar year in which the school year commences. In  
 8.24 addition all children selected under an early admissions policy established by the school  
 8.25 board may be admitted. If established, a board-adopted early admissions policy must  
 8.26 describe the process and procedures for comprehensive evaluation in cognitive, social,  
 8.27 and emotional developmental domains to help determine the child's ability to meet  
 8.28 kindergarten grade expectations and progress to first grade in the subsequent year. The  
 8.29 comprehensive evaluation must use valid and reliable instrumentation, be aligned with  
 8.30 state kindergarten expectations, and include a parent report and teacher observations of  
 8.31 the child's knowledge, skills, and abilities. The early admissions policy must be made  
 8.32 available to parents in an accessible format and is subject to review by the commissioner  
 8.33 of education. The evaluation is subject to section 127A.41. Nothing in this section  
 8.34 shall prohibit a school district from establishing Head Start, prekindergarten, or nursery  
 8.35 school classes for children below kindergarten age. Any school board with evidence that  
 9.1 providing kindergarten will cause an extraordinary hardship on the school district may  
 9.2 apply to the commissioner of education for an exception.

9.3 Sec. 8. Minnesota Statutes 2012, section 124D.128, subdivision 2, is amended to read:

9.4 Subd. 2. **Commissioner designation.** (a) A state-approved alternative program  
 9.5 designated by the state must be a site. A state-approved alternative program must provide  
 9.6 services to students who meet the criteria in section 124D.68 and who are enrolled in:  
 9.7 (1) a district that is served by the state-approved alternative program; or

6.19 (2) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for  
 6.20 the current school year to the formula allowance pursuant to section 126C.10, subdivision  
 6.21 2, for the second preceding school year.

6.22 (d) Notwithstanding the amount of the formula allowance for fiscal year ~~2004~~  
 6.23 years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the  
 6.24 amount of the formula allowance for the current year minus ~~\$415~~ \$411 in determining  
 6.25 the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal year ~~2004~~  
 6.26 years 2015 and 2016.

6.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 6.28 and later.

6.29 Sec. 9. Minnesota Statutes 2012, section 124D.02, subdivision 1, is amended to read:

6.30 Subdivision 1. **Kindergarten instruction.** The board may establish and maintain  
 6.31 one or more kindergartens for the instruction of children and after July 1, 1974, shall  
 6.32 provide kindergarten instruction for all eligible children, either in the district or in  
 6.33 another district. All children to be eligible for kindergarten must be at least five years  
 6.34 of age on September 1 of the calendar year in which the school year commences. In  
 6.35 addition all children selected under an early admissions policy established by the school  
 7.1 board may be admitted. If established, a board-adopted early admissions policy must  
 7.2 describe the process and procedures for comprehensive evaluation in cognitive, social,  
 7.3 and emotional developmental domains to help determine the child's ability to meet  
 7.4 kindergarten grade expectations and progress to first grade in the subsequent year. The  
 7.5 comprehensive evaluation must use valid and reliable instrumentation, be aligned with  
 7.6 state kindergarten expectations, and include a parent report and teacher observations of  
 7.7 the child's knowledge, skills, and abilities. The early admissions policy must be made  
 7.8 available to parents in an accessible format and is subject to review by the commissioner  
 7.9 of education. The evaluation is subject to section 127A.41. Nothing in this section  
 7.10 shall prohibit a school district from establishing Head Start, prekindergarten, or nursery  
 7.11 school classes for children below kindergarten age. Any school board with evidence that  
 7.12 providing kindergarten will cause an extraordinary hardship on the school district may  
 7.13 apply to the commissioner of education for an exception.

64.19 Sec. 10. Minnesota Statutes 2012, section 124D.128, subdivision 2, is amended to read:

64.20 Subd. 2. **Commissioner designation.** (a) A state-approved alternative program  
 64.21 designated by the state must be a site. A state-approved alternative program must provide  
 64.22 services to students who meet the criteria in section 124D.68 and who are enrolled in:  
 64.23 (1) a district that is served by the state-approved alternative program; or

9.8 (2) a charter school located within the geographic boundaries of a district that is  
9.9 served by the state-approved alternative program.

9.10 ~~(b) A school district or charter school may be approved biennially by the state to~~  
9.11 ~~provide additional instructional programming that results in grade-level acceleration. The~~  
9.12 ~~program must be designed so that students make grade progress during the school year~~  
9.13 ~~and graduate prior to the students' peers.~~

9.14 ~~(e)~~ (b) To be designated, a district, charter school, or state-approved alternative  
9.15 program must demonstrate to the commissioner that it will:

9.16 (1) provide a program of instruction that permits pupils to receive instruction  
9.17 throughout the entire year; and

9.18 (2) develop and maintain a separate record system that, for purposes of section  
9.19 126C.05, permits identification of membership attributable to pupils participating in the  
9.20 program. The record system and identification must ensure that the program will not have  
9.21 the effect of increasing the total average daily membership attributable to an individual  
9.22 pupil as a result of a learning year program. The record system must include the date the  
9.23 pupil originally enrolled in a learning year program, the pupil's grade level, the date of  
9.24 each grade promotion, the average daily membership generated in each grade level, the  
9.25 number of credits or standards earned, and the number needed to graduate.

9.26 ~~(d)~~ (c) A student who has not completed a school district's graduation requirements  
9.27 may continue to enroll in courses the student must complete in order to graduate until  
9.28 the student satisfies the district's graduation requirements or the student is 21 years old,  
9.29 whichever comes first.

9.30 Sec. 9. Minnesota Statutes 2012, section 124D.4531, subdivision 1, is amended to read:

9.31 Subdivision 1. **Career and technical levy.** (a) A district with a career and technical  
9.32 program approved under this section for the fiscal year in which the levy is certified  
9.33 may levy an amount equal to 35 percent of approved expenditures in the fiscal year in  
9.34 which the levy is certified for the following:

10.1 (1) salaries paid to essential, licensed personnel providing direct instructional  
10.2 services to students in that fiscal year, including extended contracts, for services rendered  
10.3 in the district's approved career and technical education programs, excluding salaries  
10.4 reimbursed by another school district under clause (2);

10.5 (2) amounts paid to another Minnesota school district for salaries of essential,  
10.6 licensed personnel providing direct instructional services to students in that fiscal year for  
10.7 services rendered in the district's approved career and technical education programs;

10.8 ~~(2)~~ (3) contracted services provided by a public or private agency other than a  
10.9 Minnesota school district or cooperative center under subdivision 7;

64.24 (2) a charter school located within the geographic boundaries of a district that is  
64.25 served by the state-approved alternative program.

64.26 ~~(b) A school district or charter school may be approved biennially by the state to~~  
64.27 ~~provide additional instructional programming that results in grade-level acceleration. The~~  
64.28 ~~program must be designed so that students make grade progress during the school year~~  
64.29 ~~and graduate prior to the students' peers.~~

64.30 ~~(e)~~ (b) To be designated, a district, charter school, or state-approved alternative  
64.31 program must demonstrate to the commissioner that it will:

64.32 (1) provide a program of instruction that permits pupils to receive instruction  
64.33 throughout the entire year; and

65.1 (2) develop and maintain a separate record system that, for purposes of section  
65.2 126C.05, permits identification of membership attributable to pupils participating in the  
65.3 program. The record system and identification must ensure that the program will not have  
65.4 the effect of increasing the total average daily membership attributable to an individual  
65.5 pupil as a result of a learning year program. The record system must include the date the  
65.6 pupil originally enrolled in a learning year program, the pupil's grade level, the date of  
65.7 each grade promotion, the average daily membership generated in each grade level, the  
65.8 number of credits or standards earned, and the number needed to graduate.

65.9 ~~(d)~~ (c) A student who has not completed a school district's graduation requirements  
65.10 may continue to enroll in courses the student must complete in order to graduate until  
65.11 the student satisfies the district's graduation requirements or the student is 21 years old,  
65.12 whichever comes first.

66.10 Sec. 12. Minnesota Statutes 2012, section 124D.4531, is amended to read:

66.11 **124D.4531 CAREER AND TECHNICAL LEVY REVENUE.**

66.12 Subdivision 1. **Career and technical levy revenue.** (a) A district with a career and  
66.13 technical program approved under this section for the fiscal year in which the levy is  
66.14 certified ~~may levy an amount~~ is eligible for career and technical revenue equal to 35 percent  
66.15 of approved expenditures in the fiscal year in which the levy is certified for the following:

66.16 (1) salaries paid to essential, licensed personnel providing direct instructional  
66.17 services to students in that fiscal year, including extended contracts, for services rendered  
66.18 in the district's approved career and technical education programs, excluding salaries  
66.19 reimbursed by another school district under clause (2);

66.20 (2) amounts paid to another Minnesota school district for salaries of essential,  
66.21 licensed personnel providing direct instructional services to students in that fiscal year for  
66.22 services rendered in the district's approved career and technical education programs;

66.23 ~~(2)~~ (3) contracted services provided by a public or private agency other than a  
66.24 Minnesota school district or cooperative center under subdivision 7;

10.10 ~~(3)~~ (4) necessary travel between instructional sites by licensed career and technical  
 10.11 education personnel;

10.12 (4) ~~(5)~~ necessary travel by licensed career and technical education personnel for  
 10.13 vocational student organization activities held within the state for instructional purposes;

10.14 ~~(5)~~ ~~(6)~~ curriculum development activities that are part of a five-year plan for  
 10.15 improvement based on program assessment;

10.16 ~~(6)~~ ~~(7)~~ necessary travel by licensed career and technical education personnel for  
 10.17 noncollegiate credit-bearing professional development; and

10.18 ~~(7)~~ ~~(8)~~ specialized vocational instructional supplies.

10.19 (b) Up to ten percent of a district's career and technical levy may be spent on  
 10.20 equipment purchases. Districts using the career and technical levy for equipment  
 10.21 purchases must report to the department on the improved learning opportunities for  
 10.22 students that result from the investment in equipment.

10.23 (c) The district must recognize the full amount of this levy as revenue for the fiscal  
 10.24 year in which it is certified.

10.25 (d) The amount of the levy certified under this subdivision may not exceed  
 10.26 \$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013, and  
 10.27 \$15,393,000 for taxes payable in 2014.

10.28 (e) If the estimated levy exceeds the amount in paragraph (d), the commissioner  
 10.29 must reduce the percentage in paragraph (a), clause (2), until the estimated levy no longer  
 10.30 exceeds the limit in paragraph (d).

66.25 ~~(3)~~ (4) necessary travel between instructional sites by licensed career and technical  
 66.26 education personnel;

66.27 (4) ~~(5)~~ necessary travel by licensed career and technical education personnel for  
 66.28 vocational student organization activities held within the state for instructional purposes;

66.29 ~~(5)~~ ~~(6)~~ curriculum development activities that are part of a five-year plan for  
 66.30 improvement based on program assessment;

66.31 ~~(6)~~ ~~(7)~~ necessary travel by licensed career and technical education personnel for  
 66.32 noncollegiate credit-bearing professional development; and

66.33 ~~(7)~~ ~~(8)~~ specialized vocational instructional supplies.

67.1 (b) Up to ten percent of a district's career and technical ~~levy~~ revenue may be spent on  
 67.2 equipment purchases. Districts using the career and technical ~~levy~~ revenue for equipment  
 67.3 purchases must report to the department on the improved learning opportunities for  
 67.4 students that result from the investment in equipment.

67.5 (c) The district must recognize the full amount of this levy as revenue for the fiscal  
 67.6 year in which it is certified.

67.7 (d) The amount of the ~~levy-certified~~ revenue calculated under this subdivision may  
 67.8 not exceed \$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013,  
 67.9 and ~~\$15,393,000~~ \$24,224,000 for taxes payable in 2014.

67.10 (e) If the estimated ~~levy~~ revenue exceeds the amount in paragraph (d), the  
 67.11 commissioner must reduce the percentage in paragraph (a), clause (2), until the estimated  
 67.12 ~~levy~~ revenue no longer exceeds the limit in paragraph (d).

67.13 Subd. 1a. **Career and technical levy.** (a) For fiscal year 2014 only, a district may  
 67.14 levy an amount not more than the product of its career and technical revenue times the  
 67.15 lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil  
 67.16 unit in the fiscal year in which the levy is certified to the career and technical revenue  
 67.17 equalizing factor. The career and technical revenue equalizing factor for fiscal year 2014  
 67.18 equals \$9,497.

67.19 (b) For fiscal year 2015 and later, a district may levy an amount not more than  
 67.20 the product of its career and technical revenue times the lesser of one or the ratio of its  
 67.21 adjusted net tax capacity per adjusted pupil unit in the fiscal year in which the levy is  
 67.22 certified to the career and technical revenue equalizing factor. The career and technical  
 67.23 revenue equalizing factor for fiscal year 2015 and later equals \$10,058.

67.24 Subd. 1b. **Career and technical aid.** For fiscal year 2014 and later, a district's  
 67.25 career and technical aid equals its career and technical revenue less its career and technical  
 67.26 levy. If the district levy is less than the permitted levy, the district's career and technical  
 67.27 aid shall be reduced proportionately.

67.28 Subd. 2. **Allocation from cooperative centers and intermediate districts.** For  
 67.29 purposes of this section, a cooperative center or an intermediate district must allocate its  
 67.30 approved expenditures for career and technical education programs among participating  
 67.31 districts.

67.32 Subd. 3. **Levy Revenue guarantee.** Notwithstanding subdivision 1, paragraph (a),  
 67.33 the career and technical education levy revenue for a district is not less than the lesser of:

67.34 (1) the district's career and technical education levy authority revenue for the  
 67.35 previous fiscal year; or

68.1 (2) 100 percent of the approved expenditures for career and technical programs  
 68.2 included in subdivision 1, paragraph (b), for the fiscal year in which the levy is certified.

68.3 Subd. 3a. **Levy, pay 2012-2014 Revenue adjustments.** Notwithstanding  
 68.4 subdivisions 1, 1a, and 3, for taxes payable in 2012 to 2014 only, the department must  
 68.5 calculate the career and technical levy authority revenue for each district according to  
 68.6 Minnesota Statutes 2010, section 124D.4531, and adjust the levy authority revenue for  
 68.7 each district proportionately to meet the statewide levy revenue target under subdivision 1,  
 68.8 paragraph (d). For purposes of calculating the levy revenue guarantee under subdivision  
 68.9 3, the career and technical education levy authority revenue for the previous fiscal year  
 68.10 is the levy authority revenue according to Minnesota Statutes 2010, section 124D.4531,  
 68.11 before adjustments to meet the statewide levy revenue target.

68.12 Subd. 4. **District reports.** Each district or cooperative center must report data to the  
 68.13 department for all career and technical education programs as required by the department  
 68.14 to implement the career and technical levy revenue formula.

68.15 Subd. 5. **Allocation from districts participating in agreements for secondary**  
 68.16 **education or interdistrict cooperation.** For purposes of this section, a district with a  
 68.17 career and technical program approved under this section that participates in an agreement  
 68.18 under section 123A.30 or 123A.32 must allocate its levy revenue authority under this  
 68.19 section among participating districts.

68.20 **EFFECTIVE DATE.** This section is effective for fiscal year 2014 and later.

10.31 Sec. 10. Minnesota Statutes 2012, section 126C.01, is amended by adding a  
 10.32 subdivision to read:

10.33 Subd. 3a. **Referendum market value equalizing factor.** The referendum market  
 10.34 value equalizing factor equals the quotient derived by dividing the total referendum market  
 11.1 value of all school districts in the state for the year before the year the levy is certified by  
 11.2 the total number of resident marginal cost pupil units in the state for the current school year.

11.3 **EFFECTIVE DATE.** This section is effective for taxes payable in 2014 and later.

11.4 Sec. 11. Minnesota Statutes 2012, section 126C.05, subdivision 1, is amended to read:

11.5 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
11.6 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),  
11.7 in average daily membership enrolled in the district of residence, in another district under  
11.8 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under  
11.9 section 124D.10; or for whom the resident district pays tuition under section 123A.18,  
11.10 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,  
11.11 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this  
11.12 subdivision.

11.13 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
11.14 by the commissioner and has an individualized education program is counted as the ratio  
11.15 of the number of hours of assessment and education service to 825 times 1.25 with a  
11.16 minimum average daily membership of 0.28, but not more than 1.25 pupil units.

11.17 (b) A prekindergarten pupil who is assessed but determined not to be disabled is  
11.18 counted as the ratio of the number of hours of assessment service to 825 times 1.25.

11.19 (c) A kindergarten pupil with a disability who is enrolled in a program approved  
11.20 by the commissioner is counted as the ratio of the number of hours of assessment and  
11.21 education services required in the fiscal year by the pupil's individualized education  
11.22 program to 875, but not more than one.

11.23 (d) A kindergarten pupil who is not included in paragraph (c) is counted as ~~.612~~  
11.24 1.0 pupil units if the pupil is enrolled in a free all-day, every day kindergarten program  
11.25 available to all kindergarten pupils at the pupil's school, or is counted as .612 pupil units,  
11.26 if the pupil is not enrolled in a free all-day, every day kindergarten program available to all  
11.27 kindergarten pupils at the pupil's school. The annual school calendar for a kindergarten  
11.28 program established by the school board under section 120A.02 must include at least 850  
11.29 hours of instruction for a kindergarten pupil to be counted as 1.0 pupil units.

11.30 (e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units ~~for fiscal~~  
11.31 ~~year 2000 and thereafter.~~

11.32 (f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units ~~for fiscal~~  
11.33 ~~year 1995 and thereafter.~~

11.34 (g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

12.1 (h) A pupil who is in the postsecondary enrollment options program is counted  
12.2 as 1.3 pupil units.

12.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
12.4 and later.

7.14 Sec. 10. Minnesota Statutes 2012, section 126C.05, subdivision 1, is amended to read:

7.15 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
7.16 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),  
7.17 in average daily membership enrolled in the district of residence, in another district under  
7.18 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under  
7.19 section 124D.10; or for whom the resident district pays tuition under section 123A.18,  
7.20 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,  
7.21 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this  
7.22 subdivision.

7.23 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
7.24 by the commissioner and has an individualized education program is counted as the ratio  
7.25 of the number of hours of assessment and education service to 825 times ~~1.25~~ 1.0 with a  
7.26 minimum average daily membership of 0.28, but not more than ~~1.25~~ 1.0 pupil units.

7.27 (b) A prekindergarten pupil who is assessed but determined not to be disabled is  
7.28 counted as the ratio of the number of hours of assessment service to 825 times ~~1.25~~ 1.0.

7.29 (c) A kindergarten pupil with a disability who is enrolled in a program approved  
7.30 by the commissioner is counted as the ratio of the number of hours of assessment and  
7.31 education services required in the fiscal year by the pupil's individualized education  
7.32 program to 875, but not more than one.

7.33 (d) ~~A kindergarten pupil who is not included in paragraph (c) is counted as .612 pupil~~  
7.34 ~~units~~ A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil  
7.35 units if the pupil is enrolled in a free all-day, every day kindergarten program available to  
8.1 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in  
8.2 section 120A.41, or is counted as .55 pupil units, if the pupil is not enrolled in a free all-day,  
8.3 every day kindergarten program available to all kindergarten pupils at the pupil's school.

8.4 (e) A pupil who is in any of grades 1 to 3 ~~is counted as 1.115~~ 1.0 pupil units ~~for~~  
8.5 ~~fiscal year 2000 and thereafter.~~

8.6 (f) ~~A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal~~  
8.7 ~~year 1995 and thereafter.~~

8.8 ~~(g)~~ A pupil who is in any of grades 7 to 12 is counted as ~~1.3~~ 1.2 pupil units.

8.9 ~~(h)~~ (g) A pupil who is in the postsecondary enrollment options program is counted  
8.10 as ~~1.3~~ 1.2 pupil units.

8.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
8.12 and later.

8.13 Sec. 11. Minnesota Statutes 2012, section 126C.05, subdivision 5, is amended to read:

8.14 Subd. 5. **Adjusted pupil units.** (a) Adjusted pupil units for a district or charter

8.15 school means the sum of:

8.16 (1) the number of pupil units served, according to subdivision 7, plus

8.17 (2) pupil units according to subdivision 1 for whom the district or charter school pays

8.18 tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,

8.19 subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, minus

8.20 (3) pupil units according to subdivision 1 for whom the district or charter school

8.21 receives tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488,

8.22 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65.

8.23 (b) ~~Adjusted marginal cost pupil units means the greater of:~~

8.24 (1) ~~the sum of .77 times the pupil units defined in paragraph (a) for the current school~~

8.25 ~~year and .23 times the pupil units defined in paragraph (a) for the previous school year; or~~

8.26 ~~(2) the number of adjusted pupil units defined in paragraph (a) for the current school~~

8.27 ~~year.~~

8.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015

8.29 and later.

8.30 Sec. 12. Minnesota Statutes 2012, section 126C.05, subdivision 6, is amended to read:

8.31 Subd. 6. **Resident pupil units.** (a) Resident pupil units for a district means the

8.32 number of pupil units according to subdivision 1 residing in the district.

8.33 (b) ~~Resident marginal cost pupil units means the greater of:~~

9.1 (1) ~~the sum of .77 times the pupil units defined in paragraph (a) for the current year~~

9.2 ~~and .23 times the pupil units defined in paragraph (a) for the previous school year; or~~

9.3 ~~(2) the number of resident pupil units defined in paragraph (a) for the current school~~

9.4 ~~year.~~

9.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015

9.6 and later.

12.5 Sec. 12. Minnesota Statutes 2012, section 126C.05, subdivision 15, is amended to read:

9.7 Sec. 13. Minnesota Statutes 2012, section 126C.05, subdivision 15, is amended to read:



12.6 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning  
 12.7 year program under section 124D.128, an area learning center or an alternative learning  
 12.8 program approved by the commissioner under sections 123A.05 and 123A.06, or a  
 12.9 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or  
 12.10 subdivision 3a, for more than 1,020 hours in a school year for a secondary student, more  
 12.11 than 935 hours in a school year for an elementary student, more than 850 hours in a school  
 12.12 year for a kindergarten student without a disability in a full-day kindergarten program,  
 12.13 or more than 425 hours in a school year for a half-day kindergarten student without a  
 12.14 disability, that pupil may be counted as more than one pupil in average daily membership  
 12.15 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must  
 12.16 be determined by the ratio of the number of hours of instruction provided to that pupil in  
 12.17 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time  
 12.18 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours  
 12.19 or the number of hours required for a full-time elementary pupil in the district to 935 for  
 12.20 an elementary pupil in grades 1 through 6; ~~and~~ (iii) the greater of 425 hours or the number  
 12.21 of hours required for a full-time kindergarten student without a disability in the district to  
 12.22 425 for a kindergarten student without a disability; ~~and~~ (iv) the greater of 425 hours or the  
 12.23 number of hours required for a half-time kindergarten student without a disability in the  
 12.24 district to 425 for a half-day kindergarten student without a disability. Hours that occur  
 12.25 after the close of the instructional year in June shall be attributable to the following fiscal  
 12.26 year. ~~A kindergarten student must not be counted as more than 1.2 pupils in average daily~~  
 12.27 ~~membership under this subdivision.~~ A student in kindergarten or grades 1 through 12 must  
 12.28 not be counted as more than 1.2 pupils in average daily membership under this subdivision.

12.29 (b)(i) To receive general education revenue for a pupil in an area learning center  
 12.30 or alternative learning program that has an independent study component, a district  
 12.31 must meet the requirements in this paragraph. The district must develop, for the pupil,  
 12.32 a continual learning plan consistent with section 124D.128, subdivision 3. Each school  
 12.33 district that has an area learning center or alternative learning program must reserve  
 12.34 revenue in an amount equal to at least 90 percent of the district average general education  
 12.35 revenue per pupil unit, minus an amount equal to the product of the formula allowance  
 13.1 according to section 126C.10, subdivision 2, times .0485, calculated without basic skills  
 13.2 and transportation sparsity revenue, times the number of pupil units generated by students  
 13.3 attending an area learning center or alternative learning program. The amount of reserved  
 13.4 revenue available under this subdivision may only be spent for program costs associated  
 13.5 with the area learning center or alternative learning program. Basic skills revenue  
 13.6 generated according to section 126C.10, subdivision 4, by pupils attending the eligible  
 13.7 program must be allocated to the program.

9.8 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning  
 9.9 year program under section 124D.128, an area learning center or an alternative learning  
 9.10 program approved by the commissioner under sections 123A.05 and 123A.06, or a  
 9.11 contract alternative program under section 124D.68, subdivision 3, paragraph (d), or  
 9.12 subdivision 3a, for more than 1,020 hours in a school year for a secondary student, more  
 9.13 than 935 hours in a school year for an elementary student, more than 850 hours in a school  
 9.14 year for a kindergarten student without a disability in a full-day kindergarten program,  
 9.15 or more than 425 hours in a school year for a half-day kindergarten student without a  
 9.16 disability, that pupil may be counted as more than one pupil in average daily membership  
 9.17 for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must  
 9.18 be determined by the ratio of the number of hours of instruction provided to that pupil in  
 9.19 excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time  
 9.20 secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours  
 9.21 or the number of hours required for a full-time elementary pupil in the district to 935 for  
 9.22 an elementary pupil in grades 1 through 6; ~~and~~ (iii) the greater of 425 hours or the number  
 9.23 of hours required for a full-time kindergarten student without a disability in the district to  
 9.24 425 for a kindergarten student without a disability; ~~and~~ (iv) the greater of 425 hours or the  
 9.25 number of hours required for a half-time kindergarten student without a disability in the  
 9.26 district to 425 for a half-day kindergarten student without a disability. Hours that occur  
 9.27 after the close of the instructional year in June shall be attributable to the following fiscal  
 9.28 year. ~~A kindergarten student must not be counted as more than 1.2 pupils in average daily~~  
 9.29 ~~membership under this subdivision.~~ A student in kindergarten or grades 1 through 12 must  
 9.30 not be counted as more than 1.2 pupils in average daily membership under this subdivision.

9.31 (b)(i) To receive general education revenue for a pupil in an area learning center  
 9.32 or alternative learning program that has an independent study component, a district  
 9.33 must meet the requirements in this paragraph. The district must develop, for the pupil,  
 9.34 a continual learning plan consistent with section 124D.128, subdivision 3. Each school  
 9.35 district that has an area learning center or alternative learning program must reserve  
 10.1 revenue in an amount equal to at least 90 percent of the district average general education  
 10.2 revenue per pupil unit, minus an amount equal to the product of the formula allowance  
 10.3 according to section 126C.10, subdivision 2, times ~~.0485~~ .0465, calculated without basic  
 10.4 skills and transportation sparsity revenue, times the number of pupil units generated by  
 10.5 students attending an area learning center or alternative learning program. The amount of  
 10.6 reserved revenue available under this subdivision may only be spent for program costs  
 10.7 associated with the area learning center or alternative learning program. Basic skills  
 10.8 revenue generated according to section 126C.10, subdivision 4, by pupils attending the  
 10.9 eligible program must be allocated to the program.

13.8 (ii) General education revenue for a pupil in a state-approved alternative program  
 13.9 without an independent study component must be prorated for a pupil participating for less  
 13.10 than a full year, or its equivalent. The district must develop a continual learning plan for the  
 13.11 pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area  
 13.12 learning center or alternative learning program must reserve revenue in an amount equal to  
 13.13 at least 90 percent of the district average general education revenue per pupil unit, minus  
 13.14 an amount equal to the product of the formula allowance according to section 126C.10,  
 13.15 subdivision 2, times .0485, calculated without basic skills and transportation sparsity  
 13.16 revenue, times the number of pupil units generated by students attending an area learning  
 13.17 center or alternative learning program. The amount of reserved revenue available under this  
 13.18 subdivision may only be spent for program costs associated with the area learning center or  
 13.19 alternative learning program. Basic skills revenue generated according to section 126C.10,  
 13.20 subdivision 4, by pupils attending the eligible program must be allocated to the program.

13.21 (iii) General education revenue for a pupil in a state-approved alternative program  
 13.22 that has an independent study component must be paid for each hour of teacher contact  
 13.23 time and each hour of independent study time completed toward a credit or graduation  
 13.24 standards necessary for graduation. Average daily membership for a pupil shall equal the  
 13.25 number of hours of teacher contact time and independent study time divided by 1,020.

13.26 (iv) For a state-approved alternative program having an independent study  
 13.27 component, the commissioner shall require a description of the courses in the program, the  
 13.28 kinds of independent study involved, the expected learning outcomes of the courses, and  
 13.29 the means of measuring student performance against the expected outcomes.

13.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 13.31 and later.

13.32 Sec. 13. Minnesota Statutes 2012, section 126C.10, subdivision 1, is amended to read:

13.33 Subdivision 1. **General education revenue.** The general education revenue for  
 13.34 each district equals the sum of the district's basic revenue, extended time revenue, gifted  
 13.35 and talented revenue, small schools revenue, basic skills revenue, ~~training and experience~~  
 14.1 ~~revenue~~; secondary sparsity revenue, elementary sparsity revenue, transportation sparsity  
 14.2 revenue, total operating capital revenue, equity revenue, alternative teacher compensation  
 14.3 revenue, and transition revenue.

10.10 (ii) General education revenue for a pupil in a state-approved alternative program  
 10.11 without an independent study component must be prorated for a pupil participating for less  
 10.12 than a full year, or its equivalent. The district must develop a continual learning plan for the  
 10.13 pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area  
 10.14 learning center or alternative learning program must reserve revenue in an amount equal to  
 10.15 at least 90 percent of the district average general education revenue per pupil unit, minus  
 10.16 an amount equal to the product of the formula allowance according to section 126C.10,  
 10.17 subdivision 2, times ~~-.0485~~ .0465, calculated without basic skills and transportation sparsity  
 10.18 revenue, times the number of pupil units generated by students attending an area learning  
 10.19 center or alternative learning program. The amount of reserved revenue available under this  
 10.20 subdivision may only be spent for program costs associated with the area learning center or  
 10.21 alternative learning program. Basic skills revenue generated according to section 126C.10,  
 10.22 subdivision 4, by pupils attending the eligible program must be allocated to the program.

10.23 (iii) General education revenue for a pupil in a state-approved alternative program  
 10.24 that has an independent study component must be paid for each hour of teacher contact  
 10.25 time and each hour of independent study time completed toward a credit or graduation  
 10.26 standards necessary for graduation. Average daily membership for a pupil shall equal the  
 10.27 number of hours of teacher contact time and independent study time divided by 1,020.

10.28 (iv) For a state-approved alternative program having an independent study  
 10.29 component, the commissioner shall require a description of the courses in the program, the  
 10.30 kinds of independent study involved, the expected learning outcomes of the courses, and  
 10.31 the means of measuring student performance against the expected outcomes.

10.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

10.33 Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 1, is amended to read:

10.34 Subdivision 1. **General education revenue.** (a) For fiscal years 2013 and 2014, the  
 10.35 general education revenue for each district equals the sum of the district's basic revenue,  
 11.1 extended time revenue, gifted and talented revenue, small schools revenue, basic skills  
 11.2 revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity  
 11.3 revenue, transportation sparsity revenue, total operating capital revenue, equity revenue,  
 11.4 alternative teacher compensation revenue, and transition revenue.

11.5 (b) For fiscal year 2015 and later, the general education revenue for each district  
 11.6 equals the sum of the district's basic revenue, extended time revenue, gifted and talented  
 11.7 revenue, declining enrollment revenue, small schools revenue, basic supplemental  
 11.8 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,  
 11.9 transportation sparsity revenue, total operating capital revenue, equity revenue, pension  
 11.10 adjustment revenue, safe schools revenue, and transition revenue.

14.4 Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 2, is amended to read:

14.5 Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula  
 14.6 allowance times the adjusted marginal cost pupil units for the school year. ~~The formula~~  
 14.7 ~~allowance for fiscal year 2011 is \$5,124. The formula allowance for fiscal year 2012 is~~  
 14.8 ~~\$5,174. The formula allowance for fiscal year 2013 and subsequent years is \$5,224. The~~  
 14.9 ~~formula allowance for fiscal year 2014 is \$5,328. The formula allowance for fiscal year~~  
 14.10 ~~2015 and later is \$5,433.~~

11.11 Sec. 15. Minnesota Statutes 2012, section 126C.10, subdivision 2, is amended to read:

11.12 Subd. 2. **Basic revenue.** For fiscal year 2014, the basic revenue for each district  
 11.13 equals the formula allowance times the adjusted marginal cost pupil units for the school  
 11.14 year. The formula allowance for fiscal year 2011 is \$5,124. The formula allowance for  
 11.15 fiscal year 2012 is \$5,174. For fiscal year 2015 and later, the basic revenue for each district  
 11.16 equals the formula allowance times the adjusted pupil units for the school year. The formula  
 11.17 allowance for fiscal year 2013 and subsequent years is \$5,224. The formula allowance for  
 11.18 fiscal year 2014 is \$5,276. The formula allowance for fiscal year 2015 and later is \$5,687.

11.19 Sec. 16. Minnesota Statutes 2012, section 126C.10, subdivision 2a, is amended to read:

11.20 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue  
 11.21 is equal to the product of ~~\$4,601~~ \$4,945 and the sum of the adjusted ~~marginal-cost~~ pupil  
 11.22 units of the district for each pupil in average daily membership in excess of 1.0 and less  
 11.23 than 1.2 according to section 126C.05, subdivision 8.

11.24 (b) A school district's extended time revenue may be used for extended day  
 11.25 programs, extended week programs, summer school, and other programming authorized  
 11.26 under the learning year program.

11.27 Sec. 17. Minnesota Statutes 2012, section 126C.10, subdivision 2c, is amended to read:

11.28 Subd. 2c. **Small schools revenue.** A school district, not including a charter school,  
 11.29 is eligible for small schools revenue equal to the product of:

11.30 (1) ~~\$5,224~~ \$540;

11.31 (2) the district's adjusted ~~marginal-cost~~ pupil units for that year; and

11.32 (3) the greater of zero or the ratio of (i) ~~1,000~~ 960 less the district's adjusted ~~marginal~~  
 11.33 ~~cost~~ pupil units for that year, to (ii) ~~1,000~~; and 960.

12.1 ~~(4)~~ 0.10.

12.2 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 12.3 and later.

12.4 Sec. 18. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
 12.5 subdivision to read:

12.6 Subd. 2d. **Declining enrollment revenue.** A school district's declining enrollment  
 12.7 revenue equals the greater of zero or the product of: (1) 28 percent of the formula  
 12.8 allowance for that year and (2) the difference between the adjusted pupil units for the  
 12.9 preceding year and the adjusted pupil units for the current year.

12.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
12.11 and later.

12.12 Sec. 19. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
12.13 subdivision to read:

12.14 Subd. 2e. **Basic supplemental revenue.** The basic supplemental revenue for each  
12.15 district equals the supplemental allowance times the adjusted pupil units for the school  
12.16 year. The supplemental allowance for fiscal year 2015 and later years is \$56.

12.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
12.18 and later.

12.19 Sec. 20. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
12.20 subdivision to read:

12.21 Subd. 2f. **Safe schools revenue.** The safe schools revenue for each district, including  
12.22 charter schools, equals the safe schools allowance times the district's adjusted pupil units  
12.23 for the school year. The safe schools allowance for fiscal year 2015 and later years is \$34.

12.24 Sec. 21. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
12.25 subdivision to read:

12.26 Subd. 2g. **Uses of safe schools revenue.** (a) Safe schools revenue, under subdivision  
12.27 2f, must be reserved and used for directly funding the following purposes or for reimbursing  
12.28 the cities and counties who contract with the district for the following purposes:

12.29 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of  
12.30 peace officers and sheriffs for liaison in services in the district's schools;

13.1 (2) to pay the costs for a drug abuse prevention program as defined in section  
13.2 609.101, subdivision 3, paragraph (e), in the elementary schools;

13.3 (3) to pay the costs for a gang resistance education training curriculum in the  
13.4 district's schools;

13.5 (4) to pay the costs for security in the district's schools and on school property;

13.6 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,  
13.7 voluntary opt-in suicide prevention tools, and violence prevention measures taken by  
13.8 the school district;

13.9 (6) to pay the costs for licensed school counselors, licensed school nurses, licensed  
13.10 school social workers, licensed school psychologists, and licensed alcohol and chemical  
13.11 dependency counselors to help provide early responses to problems; or

13.12 (7) to pay the costs for colocating and collaborating with mental health professionals  
13.13 who are not district employees or contractors.

13.14 For expenditures under clause (1), the district must initially attempt to contract for  
13.15 services to be provided by peace officers or sheriffs with the police department of each  
13.16 city or the sheriff's department of the county within the district containing the school  
13.17 receiving the services. If a local police department or a county sheriff's department does  
13.18 not wish to provide the necessary services, the district may contract for these services with  
13.19 any other police or sheriff's department located entirely or partially within the school  
13.20 district's boundaries.

13.21 (b) A school district may reserve up to \$2 per adjusted pupil unit of safe schools  
13.22 revenue for laminated glass for security in the district's schools.

13.23 Sec. 22. Minnesota Statutes 2012, section 126C.10, subdivision 3, is amended to read:

13.24 Subd. 3. **Compensatory education revenue.** (a) For fiscal year 2014, the  
13.25 compensatory education revenue for each building in the district equals the formula  
13.26 allowance minus \$415 times the compensation revenue pupil units computed according  
13.27 to section 126C.05, subdivision 3. For fiscal year 2015 and later, the compensatory  
13.28 education revenue for each building in the district equals the formula allowance minus  
13.29 \$826 times the compensation revenue pupil units computed according to section 126C.05,  
13.30 subdivision 3. Revenue shall be paid to the district and must be allocated according to  
13.31 section 126C.15, subdivision 2.

13.32 (b) When the district contracting with an alternative program under section 124D.69  
13.33 changes prior to the start of a school year, the compensatory revenue generated by pupils  
13.34 attending the program shall be paid to the district contracting with the alternative program  
14.1 for the current school year, and shall not be paid to the district contracting with the  
14.2 alternative program for the prior school year.

14.3 (c) When the fiscal agent district for an area learning center changes prior to the start  
14.4 of a school year, the compensatory revenue shall be paid to the fiscal agent district for the  
14.5 current school year, and shall not be paid to the fiscal agent district for the prior school year.

14.6 Sec. 23. Minnesota Statutes 2012, section 126C.10, subdivision 7, is amended to read:

14.7 Subd. 7. **Secondary sparsity revenue.** (a) A district's secondary sparsity revenue  
14.8 for a school year equals the sum of the results of the following calculation for each  
14.9 qualifying high school in the district:

14.10 (1) the formula allowance for the school year minus \$411, multiplied by

14.11 (2) the secondary average daily membership of pupils served in the high school,  
14.12 multiplied by

14.13 (3) the quotient obtained by dividing 400 minus the secondary average daily  
14.14 membership by 400 plus the secondary daily membership, multiplied by

14.15 (4) the lesser of 1.5 or the quotient obtained by dividing the isolation index minus  
14.16 23 by ten.

14.17 (b) A newly formed district that is the result of districts combining under the  
14.18 cooperation and combination program or consolidating under section 123A.48 must  
14.19 receive secondary sparsity revenue equal to the greater of: (1) the amount calculated  
14.20 under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary  
14.21 sparsity revenue the former districts had in the year prior to consolidation, increased for  
14.22 any subsequent changes in the secondary sparsity formula.

14.23 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
14.24 and later.

14.25 Sec. 24. Minnesota Statutes 2012, section 126C.10, subdivision 8, is amended to read:

14.26 Subd. 8. **Elementary sparsity revenue.** A district's elementary sparsity revenue  
14.27 equals the sum of the following amounts for each qualifying elementary school in the  
14.28 district:

14.29 (1) the formula allowance for the year minus \$411, multiplied by

14.30 (2) the elementary average daily membership of pupils served in the school,  
14.31 multiplied by

14.32 (3) the quotient obtained by dividing 140 minus the elementary average daily  
14.33 membership by 140 plus the average daily membership.

15.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
15.2 and later.

15.3 Sec. 25. Minnesota Statutes 2012, section 126C.10, subdivision 13, is amended to read:

15.4 Subd. 13. **Total operating capital revenue.** (a) Total operating capital revenue for  
15.5 a district equals the amount determined under paragraph (b) or (c), plus ~~\$73~~ \$79 times the  
15.6 adjusted ~~marginal-cost~~ pupil units for the school year. The revenue must be placed in a  
15.7 reserved account in the general fund and may only be used according to subdivision 14.

15.8 (b) Capital revenue for a district equals ~~\$100~~ \$108 times the district's maintenance  
15.9 cost index times its adjusted ~~marginal-cost~~ pupil units for the school year.

15.10 (c) The revenue for a district that operates a program under section 124D.128, is  
15.11 increased by an amount equal to \$30 times the number of ~~marginal-cost~~ adjusted pupil  
15.12 units served at the site where the program is implemented.

15.13 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
15.14 and later.

15.15 Sec. 26. Minnesota Statutes 2012, section 126C.10, subdivision 13a, is amended to read:

15.16 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal  
15.17 ~~year 2007~~ years 2013 and later 2014 only, a district may levy an amount not more than the  
15.18 product of its operating capital revenue for the fiscal year times the lesser of one or the  
15.19 ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to the operating  
15.20 capital equalizing factor. The operating capital equalizing factor equals \$10,194.

15.21 Sec. 27. Minnesota Statutes 2012, section 126C.10, subdivision 13b, is amended to read:

15.22 Subd. 13b. **Operating capital aid.** For fiscal years 2013 and 2014 only, a district's  
15.23 operating capital aid equals its operating capital revenue minus its operating capital levy  
15.24 times the ratio of the actual amount levied to the permitted levy.

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14.11 Sec. 15. Minnesota Statutes 2012, section 126C.10, subdivision 14, is amended to read:

14.12 Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue  
14.13 may be used only for the following purposes:

14.14 (1) to acquire land for school purposes;

14.15 (2) to acquire or construct buildings for school purposes;

14.16 (3) to rent or lease buildings, including the costs of building repair or improvement  
14.17 that are part of a lease agreement;

14.18 (4) to improve and repair school sites and buildings, and equip or reequip school  
14.19 buildings with permanent attached fixtures, including library media centers;

14.20 (5) for a surplus school building that is used substantially for a public nonschool  
14.21 purpose;

14.22 (6) to eliminate barriers or increase access to school buildings by individuals with a  
14.23 disability;

14.24 (7) to bring school buildings into compliance with the State Fire Code adopted  
14.25 according to chapter 299F;

14.26 (8) to remove asbestos from school buildings, encapsulate asbestos, or make  
14.27 asbestos-related repairs;

5.24 Sec. 4. Minnesota Statutes 2012, section 126C.10, subdivision 14, is amended to read:

5.25 Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue  
5.26 may be used only for the following purposes:

5.27 (1) to acquire land for school purposes;

5.28 (2) to acquire or construct buildings for school purposes;

5.29 (3) to rent or lease buildings, including the costs of building repair or improvement  
5.30 that are part of a lease agreement;

5.31 (4) to improve and repair school sites and buildings, and equip or reequip school  
5.32 buildings with permanent attached fixtures, including library media centers;

5.33 (5) for a surplus school building that is used substantially for a public nonschool  
5.34 purpose;

6.1 (6) to eliminate barriers or increase access to school buildings by individuals with a  
6.2 disability;

6.3 (7) to bring school buildings into compliance with the State Fire Code adopted  
6.4 according to chapter 299F;

6.5 (8) to remove asbestos from school buildings, encapsulate asbestos, or make  
6.6 asbestos-related repairs;

14.28 (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

14.29 (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel

14.30 or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined

14.31 in section 296A.01;

14.32 (11) for energy audits for school buildings and to modify buildings if the audit

14.33 indicates the cost of the modification can be recovered within ten years;

14.34 (12) to improve buildings that are leased according to section 123B.51, subdivision 4;

15.1 (13) to pay special assessments levied against school property but not to pay

15.2 assessments for service charges;

15.3 (14) to pay principal and interest on state loans for energy conservation according to

15.4 section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust

15.5 Fund Act according to sections 298.292 to 298.298;

15.6 (15) to purchase or lease interactive telecommunications equipment;

15.7 (16) by board resolution, to transfer money into the debt redemption fund to: (i)

15.8 pay the amounts needed to meet, when due, principal and interest payments on certain

15.9 obligations issued according to chapter 475; or (ii) pay principal and interest on debt

15.10 service loans or capital loans according to section 126C.70;

15.11 (17) to pay operating capital-related assessments of any entity formed under a

15.12 cooperative agreement between two or more districts;

15.13 (18) to purchase or lease computers and related ~~materials~~ hardware, initial purchase

15.14 ~~of related software, but not annual licensing fees,~~ copying machines, telecommunications

15.15 equipment, and other noninstructional equipment;

15.16 (19) to purchase or lease assistive technology or equipment for instructional

15.17 programs;

15.18 (20) to purchase textbooks as defined in section 123B.41, subdivision 2;

15.19 (21) to purchase new and replacement library media resources or technology;

15.20 (22) to lease or purchase vehicles;

15.21 (23) to purchase or lease telecommunications equipment, computers, and related

15.22 equipment for integrated information management systems for:

15.23 (i) managing and reporting learner outcome information for all students under a

15.24 results-oriented graduation rule;

15.25 (ii) managing student assessment, services, and achievement information required

15.26 for students with individualized education programs; and

15.27 (iii) other classroom information management needs;

6.7 (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;

6.8 (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel

6.9 or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined

6.10 in section 296A.01;

6.11 (11) for energy audits for school buildings and to modify buildings if the audit

6.12 indicates the cost of the modification can be recovered within ten years;

6.13 (12) to improve buildings that are leased according to section 123B.51, subdivision 4;

6.14 (13) to pay special assessments levied against school property but not to pay

6.15 assessments for service charges;

6.16 (14) to pay principal and interest on state loans for energy conservation according to

6.17 section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust

6.18 Fund Act according to sections 298.292 to 298.298;

6.19 (15) to purchase or lease interactive telecommunications equipment;

6.20 (16) by board resolution, to transfer money into the debt redemption fund to: (i)

6.21 pay the amounts needed to meet, when due, principal and interest payments on certain

6.22 obligations issued according to chapter 475; or (ii) pay principal and interest on debt

6.23 service loans or capital loans according to section 126C.70;

6.24 (17) to pay operating capital-related assessments of any entity formed under a

6.25 cooperative agreement between two or more districts;

6.26 (18) to purchase or lease computers and related ~~materials~~ hardware, software, and

6.27 ~~annual licensing fees,~~ copying machines, telecommunications equipment, and other

6.28 noninstructional equipment;

6.29 (19) to purchase or lease assistive technology or equipment for instructional

6.30 programs;

6.31 (20) to purchase textbooks as defined in section 123B.41, subdivision 2;

6.32 (21) to purchase new and replacement library media resources or technology;

6.33 (22) to lease or purchase vehicles;

6.34 (23) to purchase or lease telecommunications equipment, computers, and related

6.35 equipment for integrated information management systems for:

7.1 (i) managing and reporting learner outcome information for all students under a

7.2 results-oriented graduation rule;

7.3 (ii) managing student assessment, services, and achievement information required

7.4 for students with individualized education programs; and

7.5 (iii) other classroom information management needs;



15.28 (24) to pay personnel costs directly related to the acquisition, operation, and  
 15.29 maintenance of telecommunications systems, computers, related equipment, and network  
 15.30 and applications software; and

15.31 (25) to pay the costs directly associated with closing a school facility, including  
 15.32 moving and storage costs.

7.6 (24) to pay personnel costs directly related to the acquisition, operation, and  
 7.7 maintenance of telecommunications systems, computers, related equipment, and network  
 7.8 and applications software; and

7.9 (25) to pay the costs directly associated with closing a school facility, including  
 7.10 moving and storage costs.

### UEH0630-1

15.25 Sec. 28. Minnesota Statutes 2012, section 126C.10, subdivision 17, is amended to read:

15.26 Subd. 17. **Transportation sparsity definitions.** The definitions in this subdivision  
 15.27 apply to subdivisions 18 and 19.

15.28 (a) "Sparsity index" for a district means the greater of .2 or the ratio of the square  
 15.29 mile area of the district to the ~~resident~~ adjusted pupil units of the district.

15.30 (b) "Density index" for a district means the ratio of the square mile area of the  
 15.31 district to the ~~resident~~ adjusted pupil units of the district. However, the density index for a  
 15.32 district cannot be greater than .2 or less than .005.

16.1 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

16.2 Sec. 29. Minnesota Statutes 2012, section 126C.10, subdivision 18, is amended to read:

16.3 Subd. 18. **Transportation sparsity revenue allowance.** (a) A district's  
 16.4 transportation sparsity allowance equals the greater of zero or the result of the following  
 16.5 computation:

16.6 (i) Multiply the formula allowance according to subdivision 2, by ~~.1469~~ .141.

16.7 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the  
 16.8 26/100 power.

16.9 (iii) Multiply the result in clause (ii) by the district's density index raised to the  
 16.10 13/100 power.

16.11 (iv) Multiply the formula allowance according to subdivision 2, by ~~.0485~~ .0465.

16.12 (v) Subtract the result in clause (iv) from the result in clause (iii).

16.13 (b) Transportation sparsity revenue is equal to the transportation sparsity allowance  
 16.14 times the adjusted ~~marginal-cost~~ pupil units.

16.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015

16.16 and later.

15.33 Sec. 16. Minnesota Statutes 2012, section 126C.10, subdivision 24, is amended to read:

15.34 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

16.1 (1) the school district's adjusted marginal cost pupil unit amount of basic revenue,  
16.2 transition revenue, and referendum revenue is less than the value of the school district at  
16.3 or immediately above the 95th percentile of school districts in its equity region for those  
16.4 revenue categories; and

16.5 (2) the school district's administrative offices are not located in a city of the first  
16.6 class on July 1, 1999.

16.7 (b) Equity revenue for a qualifying district that receives referendum revenue under  
16.8 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal  
16.9 cost pupil units for that year; times (2) the sum of (i) \$13, plus (ii) \$75, times the school  
16.10 district's equity index computed under subdivision 27.

16.11 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
16.12 under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal  
16.13 cost pupil units for that year times \$13.

16.14 (d) A school district's equity revenue is increased by the greater of zero or an amount  
16.15 equal to the difference between \$300 times the district's resident marginal cost pupil units  
16.16 times the difference between ten percent of the statewide average and the district's amount  
16.17 of referendum revenue per resident marginal cost pupil unit for that year and the district's  
16.18 referendum revenue per resident marginal cost pupil unit. A school district's revenue  
16.19 under this paragraph must not exceed \$100,000 for that year.

16.20 (e) A school district's equity revenue for a school district located in the metro equity  
16.21 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

16.22 (f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), A school  
16.23 district that has per pupil referendum revenue below the 95th percentile qualifies for  
16.24 district's additional equity revenue equal to equals \$46 times its adjusted marginal cost  
16.25 pupil units.

16.26 (g) A district that does not qualify for revenue under paragraph (f) qualifies for  
16.27 equity revenue equal to \$46 times its adjusted marginal cost pupil units.

16.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
16.29 and later.

16.17 Sec. 30. Minnesota Statutes 2012, section 126C.10, subdivision 24, is amended to read:

16.18 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

16.19 (1) the school district's adjusted marginal cost pupil unit amount of basic revenue;  
16.20 transition revenue, and referendum revenue is less than the value of the school district at  
16.21 or immediately above the 95th percentile of school districts in its equity region for those  
16.22 revenue categories; and

16.23 (2) the school district's administrative offices are not located in a city of the first  
16.24 class on July 1, 1999.

16.25 (b) A school district's equity revenue for a qualifying district that receives  
16.26 referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the  
16.27 district's adjusted marginal cost pupil units for that year; times (2) the sum of (i) \$13, plus  
16.28 (ii) \$75 \$100, times the school district's equity index computed under subdivision 27.

16.29 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
16.30 under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal  
16.31 cost pupil units for that year times \$13.

16.32 (d) A school district's equity revenue is increased by the greater of zero or an amount  
16.33 equal to the district's resident marginal cost pupil units times the difference between ten  
16.34 percent of the statewide average amount of referendum revenue per resident marginal cost  
17.1 pupil unit for that year and the district's referendum revenue per resident marginal cost  
17.2 pupil unit. A school district's revenue under this paragraph must not exceed \$100,000 for  
17.3 that year.

17.4 (e) A school district's equity revenue for a school district located in the metro equity  
17.5 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

17.6 (f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), a school  
17.7 district that has per pupil referendum revenue below the 95th percentile qualifies for  
17.8 additional equity revenue equal to \$46 times its adjusted marginal cost pupil units.

17.9 (g) A district that does not qualify for revenue under paragraph (f) qualifies for  
17.10 equity revenue equal to \$46 times its adjusted marginal cost pupil units.

17.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
17.12 and later.

17.13 Sec. 31. Minnesota Statutes 2012, section 126C.10, subdivision 27, is amended to read:

16.30 Sec. 17. Minnesota Statutes 2012, section 126C.10, subdivision 29, is amended to read:

16.31 Subd. 29. **Equity levy.** To obtain equity revenue for fiscal year ~~2005~~ 2015 and later,  
 16.32 a district may levy an amount not more than the product of its equity revenue for the fiscal  
 16.33 year times the lesser of one or the ratio of its referendum market value per resident ~~marginal~~  
 16.34 ~~cost~~ pupil unit to \$476,000 122 percent of the referendum market value equalizing factor.

17.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 17.2 and later.

17.14 Subd. 27. **District equity index.** (a) A district's equity index equals the greater  
 17.15 ~~of zero or the ratio of the sum of the district equity gap amount to the regional equity~~  
 17.16 ~~gap amount~~ \$2,000 minus the district's referendum revenue under section 126C.17,  
 17.17 subdivision 4, per adjusted pupil unit to \$2,000.

17.18 (b) A charter school's equity index equals the greater of zero or the ratio of \$2,000  
 17.19 minus the school's general education revenue attributable to referendum equalization aid  
 17.20 under section 124D.11, subdivision 1, per adjusted pupil unit to \$2,000.

17.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 17.22 and later.

17.23 Sec. 32. Minnesota Statutes 2012, section 126C.10, subdivision 29, is amended to read:

17.24 Subd. 29. **Equity levy.** To obtain equity revenue for fiscal year ~~2005~~ 2015 and later,  
 17.25 a district may levy an amount not more than the product of its equity revenue for the  
 17.26 fiscal year times the lesser of one or the ratio of its referendum market value per resident  
 17.27 ~~marginal-cost~~ pupil unit to \$476,000 \$538,200.

17.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 17.29 and later.

17.30 Sec. 33. Minnesota Statutes 2012, section 126C.10, subdivision 31, is amended to read:

17.31 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the sum of  
 17.32 the transition revenue the district would have received for fiscal year 2015 under Minnesota  
 18.1 Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater of zero or  
 18.2 the product of the ratio of the number of adjusted marginal-cost pupil units the district  
 18.3 would have counted for fiscal year 2004 under Minnesota Statutes 2002 to the district's  
 18.4 adjusted marginal-cost pupil units for fiscal year 2004, times the difference between:

18.5 (1) the lesser sum of:

18.6 (i) the district's general education revenue per adjusted marginal-cost pupil unit  
 18.7 for fiscal year 2003 or the amount of general education revenue the district would have  
 18.8 received per adjusted marginal-cost pupil unit for fiscal year 2004 2015 according to  
 18.9 Minnesota Statutes 2002, 2012, section 126C.10;

18.10 (ii) the safe school levy the district certified for fiscal year 2014 under Minnesota  
 18.11 Statutes 2012, section 126C.44;

18.12 (iii) 70 percent of the integration revenue the district received for fiscal year 2013  
 18.13 under Minnesota Statutes 2012, section 124D.86;

18.14 (iv) the pension adjustment the district would have received for fiscal year 2015  
 18.15 under Minnesota Statutes 2012, section 127A.50;

17.3 Sec. 18. Minnesota Statutes 2012, section 126C.10, subdivision 32, is amended to read:

17.4 Subd. 32. **Transition levy.** To obtain transition revenue for fiscal year ~~2005~~ 2015  
 17.5 and later, a district may levy an amount not more than the product of its transition revenue  
 17.6 for the fiscal year times the lesser of one or the ratio of its referendum market value per  
 17.7 resident ~~marginal-cost~~ pupil unit to \$476,000 122 percent of the referendum market  
 17.8 value equalizing factor.

17.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 17.10 and later.

18.16 (v) the special education aid the district would have received for fiscal year 2015  
 18.17 under Minnesota Statutes 2012, section 125A.65; and

18.18 (vi) the special education excess cost aid the district would have received for fiscal  
 18.19 year 2015 under Minnesota Statutes 2012, section 125A.79; and

18.20 (2) the sum of the district's;

18.21 (i) general education revenue for fiscal year ~~2004~~ 2015 excluding transition revenue  
 18.22 under section 126C.10;

18.23 (ii) integration revenue for fiscal year 2015 under section 124D.862; and

18.24 (iii) special education aid for fiscal year 2015 under section 125A.76; and

18.25 divided by the number of adjusted marginal-cost pupil units the district would have  
 18.26 counted for fiscal year ~~2004~~ under Minnesota Statutes ~~2002~~ 2015.

18.27 (b) ~~A district's transition revenue for fiscal years 2006 through 2009 equals the sum of~~  
 18.28 ~~the product of the district's transition allowance times the district's adjusted marginal-cost~~  
 18.29 ~~pupil units plus the district's transition for prekindergarten revenue under subdivision 31a.~~

18.30 (e) (b) A district's transition revenue for fiscal year ~~2010~~ 2015 and later equals the  
 18.31 sum of the product of the district's transition allowance times the district's adjusted marginal  
 18.32 cost pupil units plus the district's transition for prekindergarten revenue under subdivision  
 18.33 31a plus the district's transition for tuition reciprocity revenue under subdivision 31e.

18.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 18.35 and later.

19.1 Sec. 34. Minnesota Statutes 2012, section 126C.10, subdivision 32, is amended to read:

19.2 Subd. 32. **Transition levy.** To obtain transition revenue for fiscal year ~~2005~~ 2015  
 19.3 and later, a district may levy an amount not more than the product of its transition revenue  
 19.4 for the fiscal year times the lesser of one or the ratio of its referendum market value per  
 19.5 resident ~~marginal-cost~~ pupil unit to \$476,000 \$538,200.

19.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 19.7 and later.

19.8 Sec. 35. Minnesota Statutes 2012, section 126C.10, subdivision 34, is amended to read:

19.9 Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal years 2007,  
 19.10 2008, and 2009, the basic alternative teacher compensation aid for a school district  
 19.11 with a plan approved under section 122A.414, subdivision 2b, equals 73.1 percent of  
 19.12 the alternative teacher compensation revenue under section 122A.415, subdivision 1.  
 19.13 The basic alternative teacher compensation aid for an intermediate school district or  
 19.14 charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if  
 19.15 the recipient is a charter school, equals \$260 times the number of pupils enrolled in the  
 19.16 school on October 1 of the previous fiscal year, or on October 1 of the current fiscal  
 19.17 year for a charter school in the first year of operation, times the ratio of the sum of the  
 19.18 alternative teacher compensation aid and alternative teacher compensation levy for all  
 19.19 participating school districts to the maximum alternative teacher compensation revenue  
 19.20 for those districts under section 122A.415, subdivision 1.

19.21 (b) For fiscal years ~~2010 and later~~ 2013 and 2014 only, the basic alternative  
 19.22 teacher compensation aid for a school with a plan approved under section 122A.414,  
 19.23 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under  
 19.24 section 122A.415, subdivision 1. The basic alternative teacher compensation aid for  
 19.25 an intermediate school district or charter school with a plan approved under section  
 19.26 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times  
 19.27 the number of pupils enrolled in the school on October 1 of the previous year, or on  
 19.28 October 1 of the current year for a charter school in the first year of operation, times  
 19.29 the ratio of the sum of the alternative teacher compensation aid and alternative teacher  
 19.30 compensation levy for all participating school districts to the maximum alternative teacher  
 19.31 compensation revenue for those districts under section 122A.415, subdivision 1.

19.32 (e) ~~(b)~~ Notwithstanding ~~paragraphs~~ paragraph (a) ~~and (b)~~ and section 122A.415,  
 19.33 subdivision 1, the state total basic alternative teacher compensation aid entitlement must  
 19.34 not exceed \$75,636,000 for fiscal year 2007 and later. The commissioner must limit the  
 20.1 amount of alternative teacher compensation aid approved under section 122A.415 so as  
 20.2 not to exceed these limits.

20.3 Sec. 36. Minnesota Statutes 2012, section 126C.10, subdivision 35, is amended to read:

20.4 Subd. 35. **Alternative teacher compensation levy.** For fiscal year ~~2007~~ years 2013  
 20.5 ~~and later~~ 2014 only, the alternative teacher compensation levy for a district receiving basic  
 20.6 alternative teacher compensation aid equals the product of (1) the difference between the  
 20.7 district's alternative teacher compensation revenue and the district's basic alternative  
 20.8 teacher compensation aid times (2) the lesser of one or the ratio of the district's adjusted  
 20.9 net tax capacity per adjusted pupil unit to \$5,634.

20.10 Sec. 37. Minnesota Statutes 2012, section 126C.10, subdivision 36, is amended to read:

20.11 Subd. 36. **Alternative teacher compensation aid.** (a) For fiscal year ~~2007~~ years  
20.12 ~~2013~~ and later ~~2014 only~~, a district's alternative teacher compensation equalization aid  
20.13 equals the district's alternative teacher compensation revenue minus the district's basic  
20.14 alternative teacher compensation aid minus the district's alternative teacher compensation  
20.15 levy. If a district does not levy the entire amount permitted, the alternative teacher  
20.16 compensation equalization aid must be reduced in proportion to the actual amount levied.

20.17 (b) A district's alternative teacher compensation aid equals the sum of the  
20.18 district's basic alternative teacher compensation aid and the district's alternative teacher  
20.19 compensation equalization aid.

20.20 Sec. 38. Minnesota Statutes 2012, section 126C.10, is amended by adding a  
20.21 subdivision to read:

20.22 Subd. 38. **Pension adjustment revenue.** A school district's pension adjustment  
20.23 revenue equals the greater of zero or the product of:

20.24 (1) the difference between the district's adjustment under Minnesota Statutes 2012,  
20.25 section 127A.50, subdivision 1, for fiscal year 2014 per adjusted pupil unit and the state  
20.26 average adjustment under Minnesota Statutes 2012, section 127A.50, subdivision 1, for  
20.27 fiscal year 2014 per adjusted pupil unit; and

20.28 (2) the district's adjusted pupil units for the fiscal year.

20.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
20.30 and later.

20.31 Sec. 39. Minnesota Statutes 2012, section 126C.12, subdivision 1, is amended to read:

21.1 Subdivision 1. **Revenue.** Of a district's general education revenue for fiscal year  
21.2 ~~2000~~ 2015 and thereafter each school district shall reserve an amount equal to ~~the formula~~  
21.3 ~~allowance multiplied by~~ the following calculation:

21.4 ~~(1) the sum of adjusted marginal cost pupils in average daily membership, according~~  
21.5 ~~to section 126C.05, subdivision 5, in kindergarten times .057; \$299; plus~~

21.6 ~~(2) the sum of adjusted marginal cost pupils in average daily membership, according~~  
21.7 ~~to section 126C.05, subdivision 5, in grades 1 to 3 times .115; plus \$459.~~

21.8 ~~(3) the sum of adjusted marginal cost pupils in average daily membership, according~~  
21.9 ~~to section 126C.05, subdivision 5, in grades 4 to 6 times .06.~~

21.10 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

21.11 Sec. 40. Minnesota Statutes 2012, section 126C.12, subdivision 5, is amended to read:

21.12 Subd. 5. **Additional revenue use.** If the board of a district determines that the  
21.13 district has achieved and is maintaining the class sizes specified in subdivision 4, the board  
21.14 may use the revenue to reduce class size in grades 4, 5, and 6, ~~provide all-day, everyday~~  
21.15 ~~kindergarten~~, prepare and use individualized learning plans, improve program offerings,  
21.16 purchase instructional material, services, or technology, or provide staff development  
21.17 needed for reduced class sizes.

21.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015.

21.19 Sec. 41. Minnesota Statutes 2012, section 126C.126, is amended to read:

21.20 **126C.126 USE OF GENERAL EDUCATION REVENUE FOR ALL-DAY**  
21.21 **KINDERGARTEN AND PREKINDERGARTEN.**

21.22 A school district may spend general education revenue on extended time  
21.23 kindergarten and prekindergarten programs. At the school board's discretion, the district  
21.24 may use revenue generated by the full-day kindergarten pupil count under section  
21.25 126C.05, subdivision 1, paragraph (d), to meet the needs of three- and four-year-olds in the  
21.26 district. A school district may not use these funds on programs for three- and four-year-old  
21.27 children while maintaining a fee-based full-day kindergarten program.

21.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
21.29 and later.

21.30 Sec. 42. Minnesota Statutes 2012, section 126C.13, is amended by adding a  
21.31 subdivision to read:

22.1 Subd. 3a. **General education rate.** The commissioner must establish the general  
22.2 education rate by July 1 of each year for levies payable in the following year. The general  
22.3 education rate must be a rate, rounded up to the nearest hundredth of a percent, that, when  
22.4 applied to the adjusted net tax capacity for all districts, raises the amount specified in this  
22.5 subdivision. The general education rate must be the rate that raises \$19,520,000 for fiscal  
22.6 year 2015; \$26,219,000 for fiscal year 2016; and \$30,004,000 for fiscal year 2017 and  
22.7 later years. The general education rate may not be changed due to changes or corrections  
22.8 made to a district's adjusted net tax capacity after the rate has been established.

22.9 Sec. 43. Minnesota Statutes 2012, section 126C.13, is amended by adding a  
22.10 subdivision to read:

22.11 Subd. 3b. **General education levy.** To obtain general education revenue, a district  
22.12 may levy an amount not to exceed the general education rate times the adjusted net tax  
22.13 capacity of the district for the preceding year. If the amount of the general education  
22.14 levy would exceed the general education revenue, the general education levy must be  
22.15 determined according to subdivision 3c.

22.16 Sec. 44. Minnesota Statutes 2012, section 126C.13, is amended by adding a  
22.17 subdivision to read:

22.18 Subd. 3c. **General education levy; districts off the formula.** (a) If the sum of the  
22.19 amount of the general education levy and equity levy for a district exceeds the district's  
22.20 general education revenue, the amount of the general education levy must be limited to  
22.21 the following:

22.22 (1) the district's general education revenue minus its equity levy; minus

22.23 (2) payments made for the same school year according to section 126C.21,

22.24 subdivision 3.

22.25 (b) A levy made according to this subdivision shall also be construed to be the levy

22.26 made according to subdivision 3b.

22.27 Sec. 45. Minnesota Statutes 2012, section 126C.13, subdivision 4, is amended to read:

22.28 Subd. 4. **General education aid.** (a) For fiscal years ~~2007~~ 2013 and later ~~2014~~ only,

22.29 a district's general education aid is the sum of the following amounts:

22.30 (1) general education revenue, excluding equity revenue, total operating capital

22.31 revenue, alternative teacher compensation revenue, and transition revenue;

22.32 (2) operating capital aid under section 126C.10, subdivision 13b;

22.33 (3) equity aid under section 126C.10, subdivision 30;

23.1 (4) alternative teacher compensation aid under section 126C.10, subdivision 36;

23.2 (5) transition aid under section 126C.10, subdivision 33;

23.3 (6) shared time aid under section 126C.01, subdivision 7;

23.4 (7) referendum aid under section 126C.17, subdivisions 7 and 7a; and

23.5 (8) online learning aid according to section 124D.096.

23.6 (b) For fiscal year 2015 and later, a district's general education aid equals:

23.7 (1) general education revenue, excluding equity revenue and transition revenue,

23.8 minus the general education levy, multiplied times the ratio of the actual amount of general

23.9 education levied to the permitted general education levy; plus

23.10 (2) equity aid under section 126C.10, subdivision 30; plus

23.11 (3) transition aid under section 126C.10, subdivision 33; plus

23.12 (4) shared time aid under section 126C.10, subdivision 7; plus

23.13 (5) referendum aid under section 126C.17, subdivisions 7 and 7a; plus

23.14 (6) online learning aid under section 124D.096.



17.11 Sec. 19. Minnesota Statutes 2012, section 126C.15, subdivision 1, is amended to read:

17.12 Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10,  
 17.13 subdivision 4, must be reserved and used to meet the educational needs of pupils who  
 17.14 enroll under-prepared to learn and whose progress toward meeting state or local content  
 17.15 or performance standards is below the level that is appropriate for learners of their age.  
 17.16 Basic skills revenue may also be used for programs designed to prepare children and their  
 17.17 families for entry into school whether the student first enrolls in kindergarten or first grade.  
 17.18 Any of the following may be provided to meet these learners' needs:

17.19 (1) direct instructional services under the assurance of mastery program according  
 17.20 to section 124D.66;

17.21 (2) remedial instruction in reading, language arts, mathematics, other content areas,  
 17.22 or study skills to improve the achievement level of these learners;

17.23 (3) additional teachers and teacher aides to provide more individualized instruction  
 17.24 to these learners through individual tutoring, lower instructor-to-learner ratios, or team  
 17.25 teaching;

17.26 (4) a longer school day or week during the regular school year or through a summer  
 17.27 program that may be offered directly by the site or under a performance-based contract  
 17.28 with a community-based organization;

17.29 (5) comprehensive and ongoing staff development consistent with district and site  
 17.30 plans according to section 122A.60, for teachers, teacher aides, principals, and other  
 17.31 personnel to improve their ability to identify the needs of these learners and provide  
 17.32 appropriate remediation, intervention, accommodations, or modifications;

17.33 (6) instructional materials, digital learning, and technology appropriate for meeting  
 17.34 the individual needs of these learners;

23.15 Sec. 46. Minnesota Statutes 2012, section 126C.13, subdivision 5, is amended to read:

23.16 Subd. 5. **Uses of revenue.** Except as provided in sections 126C.10, ~~subdivision~~  
 23.17 subdivisions 2g and 14; 126C.12; and 126C.15, general education revenue may be used  
 23.18 during the regular school year and the summer for general and special school purposes.

23.19 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 23.20 and later.

23.21 Sec. 47. Minnesota Statutes 2012, section 126C.15, subdivision 1, is amended to read:

23.22 Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10,  
 23.23 subdivision 4, must be reserved and used to meet the educational needs of pupils who  
 23.24 enroll under-prepared to learn and whose progress toward meeting state or local content  
 23.25 or performance standards is below the level that is appropriate for learners of their age.  
 23.26 Basic skills revenue may also be used for programs designed to prepare children and their  
 23.27 families for kindergarten, provided such programming is cost-effective, research-based,  
 23.28 and includes an evaluation component to measure, record, and publicly report its level of  
 23.29 effectiveness. Any of the following may be provided to meet these learners' needs:

23.30 (1) direct instructional services under the assurance of mastery program according  
 23.31 to section 124D.66;

23.32 (2) remedial instruction in reading, language arts, mathematics, other content areas,  
 23.33 or study skills to improve the achievement level of these learners;

24.1 (3) additional teachers and teacher aides to provide more individualized instruction  
 24.2 to these learners through individual tutoring, lower instructor-to-learner ratios, or team  
 24.3 teaching;

24.4 (4) a longer school day or week during the regular school year or through a summer  
 24.5 program that may be offered directly by the site or under a performance-based contract  
 24.6 with a community-based organization;

24.7 (5) comprehensive and ongoing staff development consistent with district and site  
 24.8 plans according to section 122A.60, for teachers, teacher aides, principals, and other  
 24.9 personnel to improve their ability to identify the needs of these learners and provide  
 24.10 appropriate remediation, intervention, accommodations, or modifications;

24.11 (6) instructional materials, digital learning, and technology appropriate for meeting  
 24.12 the individual needs of these learners;

18.1 (7) programs to reduce truancy, encourage completion of high school, enhance  
 18.2 self-concept, provide health services, provide nutrition services, provide a safe and secure  
 18.3 learning environment, provide coordination for pupils receiving services from other  
 18.4 governmental agencies, provide psychological services to determine the level of social,  
 18.5 emotional, cognitive, and intellectual development, and provide counseling services,  
 18.6 guidance services, and social work services;

18.7 (8) bilingual programs, bicultural programs, and programs for English learners;

18.8 (9) all day kindergarten;

18.9 (10) early education programs, parent-training programs, school readiness programs,  
 18.10 kindergarten programs for four-year-olds, voluntary home visits under section 124D.13,  
 18.11 subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

18.12 (11) extended school day and extended school year programs; and

18.13 ~~(H)~~ (12) substantial parent involvement in developing and implementing remedial  
 18.14 education or intervention plans for a learner, including learning contracts between the  
 18.15 school, the learner, and the parent that establish achievement goals and responsibilities of  
 18.16 the learner and the learner's parent or guardian.

18.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
 18.18 and later.

18.19 Sec. 20. Minnesota Statutes 2012, section 126C.15, subdivision 2, is amended to read:

18.20 Subd. 2. **Building allocation.** (a) A district or cooperative must allocate its  
 18.21 compensatory revenue to each school building in the district or cooperative where  
 18.22 the children who have generated the revenue are served unless the school district or  
 18.23 cooperative has received permission under Laws 2005, First Special Session chapter 5,  
 18.24 article 1, section 50, to allocate compensatory revenue according to student performance  
 18.25 measures developed by the school board.

18.26 (b) Notwithstanding paragraph (a), a district or cooperative may allocate up to  
 18.27 five percent of the amount of compensatory revenue that the district receives to school  
 18.28 sites according to a plan adopted by the school board, and a district or cooperative may  
 18.29 allocate up to an additional five percent of its compensatory revenue for activities under  
 18.30 subdivision 1, clause (10), according to a plan adopted by the school board. The money  
 18.31 reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but  
 18.32 may be spent on students in any grade, including students attending school readiness or  
 18.33 other prekindergarten programs.

24.13 (7) programs to reduce truancy, encourage completion of high school, enhance  
 24.14 self-concept, provide health services, provide nutrition services, provide a safe and secure  
 24.15 learning environment, provide coordination for pupils receiving services from other  
 24.16 governmental agencies, provide psychological services to determine the level of social,  
 24.17 emotional, cognitive, and intellectual development, and provide counseling services,  
 24.18 guidance services, and social work services;

24.19 (8) bilingual programs, bicultural programs, and programs for English learners;

24.20 (9) all day kindergarten;

24.21 (10) early education programs, parent-training programs, school readiness programs,  
 24.22 kindergarten programs for four-year-olds, and other outreach efforts designed to prepare  
 24.23 children for kindergarten;

24.24 (11) extended school day and extended school year programs; and

24.25 ~~(H)~~ (12) substantial parent involvement in developing and implementing remedial  
 24.26 education or intervention plans for a learner, including learning contracts between the  
 24.27 school, the learner, and the parent that establish achievement goals and responsibilities of  
 24.28 the learner and the learner's parent or guardian.

24.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
 24.30 and later.

### S0978-3

7.11 Sec. 5. Minnesota Statutes 2012, section 126C.15, subdivision 2, is amended to read:

7.12 Subd. 2. **Building allocation.** (a) A district or cooperative must allocate its  
 7.13 compensatory revenue to each school building in the district or cooperative where  
 7.14 the children who have generated the revenue are served unless the school district or  
 7.15 cooperative has received permission under Laws 2005, First Special Session chapter 5,  
 7.16 article 1, section 50, to allocate compensatory revenue according to student performance  
 7.17 measures developed by the school board.

7.18 (b) Notwithstanding paragraph (a), a district or cooperative may allocate up to ~~five~~  
 7.19 15 percent of the amount of compensatory revenue that the district receives to school  
 7.20 sites according to a plan adopted by the school board, and a district or cooperative may  
 7.21 allocate up to an additional five percent of its compensatory revenue for activities under  
 7.22 subdivision 1, clause (10), according to a plan adopted by the school board. The money  
 7.23 reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but  
 7.24 may be spent on students in any grade, including students attending school readiness or  
 7.25 other prekindergarten programs.

18.34 (c) For the purposes of this section and section 126C.05, subdivision 3, "building"  
18.35 means education site as defined in section 123B.04, subdivision 1.

19.1 (d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue  
19.2 generated by students served at a cooperative unit shall be paid to the cooperative unit.

19.3 (e) A district or cooperative with school building openings, school building  
19.4 closings, changes in attendance area boundaries, or other changes in programs or student  
19.5 demographics between the prior year and the current year may reallocate compensatory  
19.6 revenue among sites to reflect these changes. A district or cooperative must report to the  
19.7 department any adjustments it makes according to this paragraph and the department must  
19.8 use the adjusted compensatory revenue allocations in preparing the report required under  
19.9 section 123B.76, subdivision 3, paragraph (c).

19.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
19.11 and later.

7.26 (c) For the purposes of this section and section 126C.05, subdivision 3, "building"  
7.27 means education site as defined in section 123B.04, subdivision 1.

7.28 (d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue  
7.29 generated by students served at a cooperative unit shall be paid to the cooperative unit.

7.30 (e) A district or cooperative with school building openings, school building  
7.31 closings, changes in attendance area boundaries, or other changes in programs or student  
7.32 demographics between the prior year and the current year may reallocate compensatory  
7.33 revenue among sites to reflect these changes. A district or cooperative must report to the  
7.34 department any adjustments it makes according to this paragraph and the department must  
8.1 use the adjusted compensatory revenue allocations in preparing the report required under  
8.2 section 123B.76, subdivision 3, paragraph (c).

8.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014  
8.4 and later.

### UEH0630-1

24.31 Sec. 48. Minnesota Statutes 2012, section 126C.15, subdivision 2, is amended to read:

24.32 Subd. 2. **Building allocation.** (a) A district or cooperative must allocate its  
24.33 compensatory revenue to each school building in the district or cooperative where  
24.34 the children who have generated the revenue are served unless the school district or  
24.35 cooperative has received permission under Laws 2005, First Special Session chapter 5,  
25.1 article 1, section 50, to allocate compensatory revenue according to student performance  
25.2 measures developed by the school board.

25.3 (b) Notwithstanding paragraph (a), a district or cooperative may allocate up to  
25.4 ~~five~~ 15 percent of the amount of compensatory revenue that the district receives to  
25.5 school sites according to a plan adopted by the school board. The money reallocated  
25.6 under this paragraph must be spent for the purposes listed in subdivision 1, but may be  
25.7 spent on students in any grade, including students attending school readiness or other  
25.8 prekindergarten programs.

25.9 (c) For the purposes of this section and section 126C.05, subdivision 3, "building"  
25.10 means education site as defined in section 123B.04, subdivision 1.

25.11 (d) Notwithstanding section 123A.26, subdivision 1, compensatory revenue  
25.12 generated by students served at a cooperative unit shall be paid to the cooperative unit.

19.12 Sec. 21. Minnesota Statutes 2012, section 126C.17, subdivision 1, is amended to read:

19.13 Subdivision 1. **Referendum allowance.** (a) For fiscal year 2003 and later, a district's  
19.14 initial referendum revenue allowance equals the sum of the allowance under section  
19.15 126C.16, subdivision 2, plus any additional allowance per resident marginal cost pupil  
19.16 unit authorized under subdivision 9 before May 1, 2001, for fiscal year 2002 and later,  
19.17 plus the referendum conversion allowance approved under subdivision 13, minus \$415.  
19.18 For districts with more than one referendum authority, the reduction must be computed  
19.19 separately for each authority. The reduction must be applied first to the referendum  
19.20 conversion allowance and next to the authority with the earliest expiration date. A  
19.21 district's initial referendum revenue allowance may not be less than zero.

19.22 (b) For fiscal year 2003, a district's referendum revenue allowance equals the initial  
19.23 referendum allowance plus any additional allowance per resident marginal cost pupil unit  
19.24 authorized under subdivision 9 between April 30, 2001, and December 30, 2001, for  
19.25 fiscal year 2003 and later.

19.26 (c) For fiscal year 2004 and later, a district's referendum revenue allowance equals  
19.27 the sum of:

19.28 (1) the product of (i) the ratio of the resident marginal cost pupil units the district  
19.29 would have counted for fiscal year 2004 under Minnesota Statutes 2002, section 126C.05,  
19.30 to the district's resident marginal cost pupil units for fiscal year 2004, times (ii) the initial  
19.31 referendum allowance plus any additional allowance per resident marginal cost pupil unit  
19.32 authorized under subdivision 9 between April 30, 2001, and May 30, 2003, for fiscal  
19.33 year 2003 and later, plus

19.34 (2) any additional allowance per resident marginal cost pupil unit authorized under  
19.35 subdivision 9 after May 30, 2003, for fiscal year 2005 and later.

20.1 (a) A district's initial referendum allowance for fiscal year 2015 equals the result of  
20.2 the following calculations:

20.3 (1) multiply the referendum allowance the district would have received for fiscal  
20.4 year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on  
20.5 elections held before July 1, 2013, by the resident marginal cost pupil units the district  
20.6 would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

25.13 (e) A district or cooperative with school building openings, school building  
25.14 closings, changes in attendance area boundaries, or other changes in programs or student  
25.15 demographics between the prior year and the current year may reallocate compensatory  
25.16 revenue among sites to reflect these changes. A district or cooperative must report to the  
25.17 department any adjustments it makes according to this paragraph and the department must  
25.18 use the adjusted compensatory revenue allocations in preparing the report required under  
25.19 section 123B.76, subdivision 3, paragraph (c).

25.20 Sec. 49. Minnesota Statutes 2012, section 126C.17, is amended to read:

25.21 **126C.17 REFERENDUM REVENUE.**

25.22 Subdivision 1. **Referendum allowance.** (a) For fiscal year 2003 and later, a district's  
25.23 initial referendum revenue allowance equals the sum of the allowance under section  
25.24 126C.16, subdivision 2, plus any additional allowance per resident marginal cost pupil  
25.25 unit authorized under subdivision 9 before May 1, 2001, for fiscal year 2002 and later,  
25.26 plus the referendum conversion allowance approved under subdivision 13, minus \$415.  
25.27 For districts with more than one referendum authority, the reduction must be computed  
25.28 separately for each authority. The reduction must be applied first to the referendum  
25.29 conversion allowance and next to the authority with the earliest expiration date. A  
25.30 district's initial referendum revenue allowance may not be less than zero.

25.31 (b) For fiscal year 2003, a district's referendum revenue allowance equals the initial  
25.32 referendum allowance plus any additional allowance per resident marginal cost pupil unit  
25.33 authorized under subdivision 9 between April 30, 2001, and December 30, 2001, for  
25.34 fiscal year 2003 and later.

26.1 (c) For fiscal year 2004 and later, a district's referendum revenue allowance equals  
26.2 the sum of:

26.3 (1) the product of (i) the ratio of the resident marginal cost pupil units the district  
26.4 would have counted for fiscal year 2004 under Minnesota Statutes 2002, section 126C.05,  
26.5 to the district's resident marginal cost pupil units for fiscal year 2004, times (ii) the initial  
26.6 referendum allowance plus any additional allowance per resident marginal cost pupil unit  
26.7 authorized under subdivision 9 between April 30, 2001, and May 30, 2003, for fiscal  
26.8 year 2003 and later, plus

26.9 (2) any additional allowance per resident marginal cost pupil unit authorized under  
26.10 subdivision 9 after May 30, 2003, for fiscal year 2005 and later.

26.11 (a) A district's initial referendum allowance for fiscal year 2015 equals the result of  
26.12 the following calculations:

26.13 (1) multiply the referendum allowance the district would have received for fiscal  
26.14 year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on  
26.15 elections held before July 1, 2013, by the resident marginal cost pupil units the district  
26.16 would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

20.7 (2) divide the result of clause (1) by the district's residential marginal cost pupil units  
 20.8 for fiscal year 2015; and

20.9 (3) if the result of clause (2) is less than zero, set the allowance to zero.

20.10 (b) A district's referendum allowance equals the sum of the district's initial  
 20.11 referendum allowance for fiscal year 2015, plus any additional referendum allowance per  
 20.12 resident marginal cost pupil unit authorized after June 30, 2013, minus any allowances  
 20.13 expiring in fiscal year 2016 or later.

20.14 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

26.17 (2) add to the result of clause (1) the adjustment the district would have received  
 26.18 under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and  
 26.19 (c), based on elections held before July 1, 2013;

26.20 (3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year  
 26.21 2015, notwithstanding section 126C.05, subdivision 1, paragraph (d), calculated as though  
 26.22 a kindergarten pupil not included in section 126C.05, subdivision 1, paragraph (c), is  
 26.23 counted as 0.55 pupil units; and

26.24 (4) if the result of clause (3) is less than zero, set the allowance to zero.

26.25 (b) A district's referendum allowance equals the sum of the district's initial  
 26.26 referendum allowance for fiscal year 2015, plus any additional referendum allowance per  
 26.27 adjusted pupil unit authorized after June 30, 2013, minus any allowances expiring in fiscal  
 26.28 year 2016 or later. For a district with more than one referendum allowance for fiscal year  
 26.29 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under  
 26.30 paragraph (a) must be divided into components such that the same percentage of the  
 26.31 district's allowance expires at the same time as the old allowances would have expired  
 26.32 under Minnesota Statutes 2012, section 126C.17.

26.33 Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal  
 26.34 year ~~2007~~ 2015 and later, a district's referendum allowance must not exceed the ~~greater of:~~

27.1 ~~(1) the sum of: (i) a district's referendum allowance for fiscal year 1994 times 1.177~~  
 27.2 ~~times the annual inflationary increase as calculated under paragraph (b) plus (ii) its~~  
 27.3 ~~referendum conversion allowance for fiscal year 2003, minus (iii) \$215;~~

27.4 ~~(2) the greater of (i): 26 percent of the formula allowance or (ii) \$1,294 times the~~  
 27.5 ~~annual inflationary increase as calculated under paragraph (b); or times the greatest of:~~

27.6 (1) \$1,845;

27.7 (2) the sum of the referendum revenue the district would have received for fiscal  
 27.8 year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on  
 27.9 elections held before July 1, 2013, and the adjustment the district would have received  
 27.10 under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and  
 27.11 (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil  
 27.12 units for fiscal year 2015, notwithstanding section 126C.05, subdivision 1, paragraph (d),  
 27.13 calculated as though a kindergarten pupil not included in section 126C.05, subdivision 1,  
 27.14 paragraph (c), is counted as 0.55 pupil units; or

27.15 (3) the product of the referendum allowance limit the district would have received  
 27.16 for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and  
 27.17 the resident marginal cost pupil units the district would have received for fiscal year 2015  
 27.18 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the  
 27.19 district would have received under Minnesota Statutes 2012, section 127A.47, subdivision  
 27.20 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by  
 27.21 the district's adjusted pupil units for fiscal year 2015, notwithstanding section 126C.05,  
 27.22 subdivision 1, paragraph (d), calculated as though a kindergarten pupil not included in  
 27.23 section 126C.05, subdivision 1, paragraph (c), is counted as 0.55 pupil units; or

27.24 ~~(3)~~ (4) for a newly reorganized district created after July 1, 2006 2013, the referendum  
 27.25 revenue authority for each reorganizing district in the year preceding reorganization divided  
 27.26 by its ~~resident marginal cost~~ adjusted pupil units for the year preceding reorganization.

27.27 (b) For purposes of this subdivision, for fiscal year 2005 2016 and later, "inflationary  
 27.28 increase" means one plus the percentage change in the Consumer Price Index for urban  
 27.29 consumers, as prepared by the United States Bureau of Labor Standards, for the current  
 27.30 fiscal year to fiscal year 2004 2015. For fiscal years 2009 year 2016 and later, for purposes  
 27.31 of paragraph (a), clause ~~(+)~~ (3), the inflationary increase equals ~~the inflationary increase~~  
 27.32 ~~for fiscal year 2008 plus one-fourth of the percentage increase in the formula allowance~~  
 27.33 ~~for that year compared with the formula allowance for fiscal year 2008~~ 2015.

27.34 Subd. 3. **Sparsity exception.** A district that qualifies for sparsity revenue under  
 27.35 section 126C.10 is not subject to a referendum allowance limit.

28.1 Subd. 4. **Total referendum revenue.** The total referendum revenue for each district  
 28.2 equals the district's referendum allowance times the ~~resident marginal cost~~ adjusted pupil  
 28.3 units for the school year.

20.15 Sec. 22. Minnesota Statutes 2012, section 126C.17, subdivision 5, is amended to read:

20.16 Subd. 5. **Referendum equalization revenue.** (a) ~~For fiscal year 2003 and later,~~  
 20.17 A district's referendum equalization revenue equals the sum of the first tier referendum  
 20.18 equalization revenue and the second tier referendum equalization revenue.

20.19 (b) A district's first tier referendum equalization revenue equals the district's first  
 20.20 tier referendum equalization allowance times the district's resident marginal cost pupil  
 20.21 units for that year.

20.22 (c) ~~For fiscal year 2006, a district's first tier referendum equalization allowance~~  
 20.23 ~~equals the lesser of the district's referendum allowance under subdivision 1 or \$500. For~~  
 20.24 ~~fiscal year 2007, a district's first tier referendum equalization allowance equals the lesser~~  
 20.25 ~~of the district's referendum allowance under subdivision 1 or \$600.~~

20.26 ~~For fiscal year 2008 and later, A district's first tier referendum equalization allowance~~  
 20.27 equals the lesser of the district's referendum allowance under subdivision 1 or \$700.

28.4 Subd. 5. **Referendum equalization revenue.** (a) ~~For fiscal year 2003 and later,~~  
 28.5 A district's referendum equalization revenue equals the sum of the first tier referendum  
 28.6 equalization revenue and the second tier referendum equalization revenue.

28.7 (b) A district's first tier referendum equalization revenue equals the district's first  
 28.8 tier referendum equalization allowance times the district's ~~resident marginal cost~~ adjusted  
 28.9 pupil units for that year.

28.10 (c) ~~For fiscal year 2006, a district's first tier referendum equalization allowance~~  
 28.11 ~~equals the lesser of the district's referendum allowance under subdivision 1 or \$500. For~~  
 28.12 ~~fiscal year 2007, a district's first tier referendum equalization allowance equals the lesser~~  
 28.13 ~~of the district's referendum allowance under subdivision 1 or \$600.~~

28.14 ~~For fiscal year 2008 and later, A district's first tier referendum equalization allowance~~  
 28.15 equals the lesser of the district's referendum allowance under subdivision 1 or \$700 \$775.

20.28 (d) A district's second tier referendum equalization revenue equals the district's  
 20.29 second tier referendum equalization allowance times the district's resident marginal cost  
 20.30 pupil units for that year.

20.31 (e) ~~For fiscal year 2006, a district's second tier referendum equalization allowance~~  
 20.32 ~~equals the lesser of the district's referendum allowance under subdivision 1 or 18.6 percent~~  
 20.33 ~~of the formula allowance, minus the district's first tier referendum equalization allowance.~~  
 20.34 ~~For fiscal year 2007 and later, A district's second tier referendum equalization allowance~~  
 21.1 equals the lesser of the district's referendum allowance under subdivision 1 or 26 percent  
 21.2 of the formula allowance, minus the district's first tier referendum equalization allowance.

21.3 (f) Notwithstanding paragraph (e), the second tier referendum allowance for a  
 21.4 district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or  
 21.5 elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's  
 21.6 referendum allowance under subdivision 1 minus the district's first tier referendum  
 21.7 equalization allowance.

21.8 Sec. 23. Minnesota Statutes 2012, section 126C.17, subdivision 6, is amended to read:

21.9 Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~  
 21.10 A district's referendum equalization levy equals the sum of the first tier referendum  
 21.11 equalization levy and the second tier referendum equalization levy.

21.12 (b) A district's first tier referendum equalization levy equals the district's first tier  
 21.13 referendum equalization revenue times the lesser of one or the ratio of the district's  
 21.14 referendum market value per resident marginal cost pupil unit to \$476,000 122 percent of  
 21.15 the referendum market value equalizing factor.

21.16 (c) A district's second tier referendum equalization levy equals the district's second  
 21.17 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
 21.18 referendum market value per resident marginal cost pupil unit to \$270,000 66 percent of  
 21.19 the referendum market value equalizing factor.

21.20 **EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

28.16 (d) A district's second tier referendum equalization revenue equals the district's  
 28.17 second tier referendum equalization allowance times the district's ~~resident marginal cost~~  
 28.18 adjusted pupil units for that year.

28.19 (e) ~~For fiscal year 2006, a district's second tier referendum equalization allowance~~  
 28.20 ~~equals the lesser of the district's referendum allowance under subdivision 1 or 18.6 percent~~  
 28.21 ~~of the formula allowance, minus the district's first tier referendum equalization allowance.~~  
 28.22 ~~For fiscal year 2007 and later, A district's second tier referendum equalization allowance~~  
 28.23 equals the lesser of the district's referendum allowance under subdivision 1 or 26.25 percent  
 28.24 of the formula allowance, minus the district's first tier referendum equalization allowance.

28.25 (f) Notwithstanding paragraph (e), the second tier referendum allowance for a  
 28.26 district qualifying for secondary sparsity revenue under section 126C.10, subdivision 7, or  
 28.27 elementary sparsity revenue under section 126C.10, subdivision 8, equals the district's  
 28.28 referendum allowance under subdivision 1 minus the district's first tier referendum  
 28.29 equalization allowance.

28.30 Subd. 6. **Referendum equalization levy.** (a) For fiscal year 2003 and later,  
 28.31 a district's referendum equalization levy equals the sum of the first tier referendum  
 28.32 equalization levy and the second tier referendum equalization levy.

28.33 (b) A district's first tier referendum equalization levy equals the district's first tier  
 28.34 referendum equalization revenue times the lesser of one or the ratio of the district's  
 28.35 referendum market value per resident ~~marginal cost~~ pupil unit to \$476,000 \$538,200.

29.1 (c) A district's second tier referendum equalization levy equals the district's second  
 29.2 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
 29.3 referendum market value per resident ~~marginal cost~~ pupil unit to \$270,000 \$259,415.

29.4 Subd. 7. **Referendum equalization aid.** (a) A district's referendum equalization aid  
 29.5 equals the difference between its referendum equalization revenue and levy.

29.6 (b) If a district's actual levy for first or second tier referendum equalization revenue  
 29.7 is less than its maximum levy limit for that tier, aid shall be proportionately reduced.

29.8 (c) Notwithstanding paragraph (a), the referendum equalization aid for a district,  
29.9 where the referendum equalization aid under paragraph (a) exceeds 90 percent of the  
29.10 referendum revenue, must not exceed 26 25 percent of the formula allowance times the  
29.11 district's ~~resident marginal cost~~ adjusted pupil units. A district's referendum levy is  
29.12 increased by the amount of any reduction in referendum aid under this paragraph.

29.13 Subd. 7a. **Referendum tax base replacement aid.** For each school district that  
29.14 had a referendum allowance for fiscal year 2002 exceeding \$415, for each separately  
29.15 authorized referendum levy, the commissioner of revenue, in consultation with the  
29.16 commissioner of education, shall certify the amount of the referendum levy in taxes  
29.17 payable year 2001 attributable to the portion of the referendum allowance exceeding \$415  
29.18 levied against property classified as class 2, noncommercial 4c(1), or 4c(4), under section  
29.19 273.13, excluding the portion of the tax paid by the portion of class 2a property consisting  
29.20 of the house, garage, and surrounding one acre of land. The resulting amount must be  
29.21 used to reduce the district's referendum levy amount otherwise determined, and must be  
29.22 paid to the district each year that the referendum authority remains in effect, is renewed,  
29.23 or new referendum authority is approved. The aid payable under this subdivision must  
29.24 be subtracted from the district's referendum equalization aid under subdivision 7. The  
29.25 referendum equalization aid after the subtraction must not be less than zero.

29.26 Subd. 7b. **Referendum aid guarantee.** (a) Notwithstanding subdivision 7, a  
29.27 district's referendum equalization aid for fiscal year 2015 must not be less than the sum  
29.28 of the referendum equalization aid the district would have received for fiscal year 2015  
29.29 under Minnesota Statutes 2012, section 126C.17, subdivision 7, and the adjustment the  
29.30 district would have received under Minnesota Statutes 2012, section 127A.47, subdivision  
29.31 7, paragraphs (a), (b), and (c).

29.32 (b) Notwithstanding subdivision 7, referendum equalization aid for fiscal year 2016  
29.33 and later, for a district qualifying for additional aid under paragraph (a) for fiscal year  
29.34 2015, must not be less than the product of (1) the district's referendum equalization aid  
29.35 for fiscal year 2015, times (2) the lesser of one or the ratio of the district's referendum  
29.36 revenue for that school year to the district's referendum revenue for fiscal year 2015, times  
30.1 (3) the lesser of one or the ratio of the district's referendum market value used for fiscal  
30.2 year 2015 referendum equalization calculations to the district's referendum market value  
30.3 used for that year's referendum equalization calculations.

30.4 Subd. 8. **Unequalized referendum levy.** Each year, a district may levy an amount  
30.5 equal to the difference between its total referendum revenue according to subdivision 4  
30.6 and its referendum equalization revenue according to subdivision 5.



30.7 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
30.8 subdivision 1, may be increased in the amount approved by the voters of the district  
30.9 at a referendum called for the purpose. The referendum may be called by the board.  
30.10 The referendum must be conducted one or two calendar years before the increased levy  
30.11 authority, if approved, first becomes payable. Only one election to approve an increase  
30.12 may be held in a calendar year. Unless the referendum is conducted by mail under  
30.13 subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the  
30.14 first Monday in November. The ballot must state the maximum amount of the increased  
30.15 revenue per ~~resident-marginal-cost~~ adjusted pupil unit. The ballot may state a schedule,  
30.16 determined by the board, of increased revenue per ~~resident-marginal-cost~~ adjusted pupil  
30.17 unit that differs from year to year over the number of years for which the increased revenue  
30.18 is authorized or may state that the amount shall increase annually by the rate of inflation.  
30.19 For this purpose, the rate of inflation shall be the annual inflationary increase calculated  
30.20 under subdivision 2, paragraph (b). The ballot may state that existing referendum levy  
30.21 authority is expiring. In this case, the ballot may also compare the proposed levy authority  
30.22 to the existing expiring levy authority, and express the proposed increase as the amount, if  
30.23 any, over the expiring referendum levy authority. The ballot must designate the specific  
30.24 number of years, not to exceed ten, for which the referendum authorization applies. The  
30.25 ballot, including a ballot on the question to revoke or reduce the increased revenue amount  
30.26 under paragraph (c), must abbreviate the term "per ~~resident-marginal-cost~~ adjusted pupil  
30.27 unit" as "per pupil." The notice required under section 275.60 may be modified to read, in  
30.28 cases of renewing existing levies at the same amount per pupil as in the previous year:

30.29 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING  
30.30 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS  
30.31 SCHEDULED TO EXPIRE."

30.32 The ballot may contain a textual portion with the information required in this  
30.33 subdivision and a question stating substantially the following:

30.34 "Shall the increase in the revenue proposed by (petition to) the board of .....,  
30.35 School District No. ..., be approved?"

31.1 If approved, an amount equal to the approved revenue per ~~resident-marginal-cost~~  
31.2 adjusted pupil unit times the ~~resident-marginal-cost~~ adjusted pupil units for the school  
31.3 year beginning in the year after the levy is certified shall be authorized for certification  
31.4 for the number of years approved, if applicable, or until revoked or reduced by the voters  
31.5 of the district at a subsequent referendum.

31.6 (b) The board must prepare and deliver by first class mail at least 15 days but no more  
31.7 than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
31.8 and the proposed revenue increase. The board need not mail more than one notice to any  
31.9 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be  
31.10 those shown to be owners on the records of the county auditor or, in any county where  
31.11 tax statements are mailed by the county treasurer, on the records of the county treasurer.  
31.12 Every property owner whose name does not appear on the records of the county auditor  
31.13 or the county treasurer is deemed to have waived this mailed notice unless the owner  
31.14 has requested in writing that the county auditor or county treasurer, as the case may be,  
31.15 include the name on the records for this purpose. The notice must project the anticipated  
31.16 amount of tax increase in annual dollars for typical residential homesteads, agricultural  
31.17 homesteads, apartments, and commercial-industrial property within the school district.

31.18 The notice for a referendum may state that an existing referendum levy is expiring  
31.19 and project the anticipated amount of increase over the existing referendum levy in  
31.20 the first year, if any, in annual dollars for typical residential homesteads, agricultural  
31.21 homesteads, apartments, and commercial-industrial property within the district.

31.22 The notice must include the following statement: "Passage of this referendum will  
31.23 result in an increase in your property taxes." However, in cases of renewing existing levies,  
31.24 the notice may include the following statement: "Passage of this referendum extends an  
31.25 existing operating referendum at the same amount per pupil as in the previous year."

31.26 (c) A referendum on the question of revoking or reducing the increased revenue  
31.27 amount authorized pursuant to paragraph (a) may be called by the board. A referendum to  
31.28 revoke or reduce the revenue amount must state the amount per resident marginal cost  
31.29 pupil unit by which the authority is to be reduced. Revenue authority approved by the  
31.30 voters of the district pursuant to paragraph (a) must be available to the school district at  
31.31 least once before it is subject to a referendum on its revocation or reduction for subsequent  
31.32 years. Only one revocation or reduction referendum may be held to revoke or reduce  
31.33 referendum revenue for any specific year and for years thereafter.

31.34 (d) The approval of 50 percent plus one of those voting on the question is required to  
31.35 pass a referendum authorized by this subdivision.

32.1 (e) At least 15 days before the day of the referendum, the district must submit a  
32.2 copy of the notice required under paragraph (b) to the commissioner and to the county  
32.3 auditor of each county in which the district is located. Within 15 days after the results  
32.4 of the referendum have been certified by the board, or in the case of a recount, the  
32.5 certification of the results of the recount by the canvassing board, the district must notify  
32.6 the commissioner of the results of the referendum.

32.7 Subd. 10. **School referendum levy; market value.** A school referendum levy must  
32.8 be levied against the referendum market value of all taxable property as defined in section  
32.9 126C.01, subdivision 3. Any referendum levy amount subject to the requirements of this  
32.10 subdivision must be certified separately to the county auditor under section 275.07.

32.11 Subd. 11. **Referendum date.** (a) Except for a referendum held under paragraph (b),  
32.12 any referendum under this section held on a day other than the first Tuesday after the first  
32.13 Monday in November must be conducted by mail in accordance with section 204B.46.  
32.14 Notwithstanding subdivision 9, paragraph (b), to the contrary, in the case of a referendum  
32.15 conducted by mail under this paragraph, the notice required by subdivision 9, paragraph (b),  
32.16 must be prepared and delivered by first-class mail at least 20 days before the referendum.

32.17 (b) In addition to the referenda allowed in subdivision 9, clause (a), the commissioner  
32.18 may grant authority to a district to hold a referendum on a different day if the district is in  
32.19 statutory operating debt and has an approved plan or has received an extension from the  
32.20 department to file a plan to eliminate the statutory operating debt.

32.21 (c) The commissioner must approve, deny, or modify each district's request for a  
32.22 referendum levy on a different day within 60 days of receiving the request from a district.

32.23 Subd. 13. **Referendum conversion allowance.** A school district that received  
32.24 supplemental or transition revenue in fiscal year 2002 may convert its supplemental  
32.25 revenue conversion allowance and transition revenue conversion allowance to additional  
32.26 referendum allowance under subdivision 1 for fiscal year 2003 and thereafter. A majority  
32.27 of the school board must approve the conversion at a public meeting before November 1,  
32.28 2001. For a district with other referendum authority, the referendum conversion allowance  
32.29 approved by the board continues until the portion of the district's other referendum  
32.30 authority with the earliest expiration date after June 30, 2006, expires. For a district  
32.31 with no other referendum authority, the referendum conversion allowance approved by  
32.32 the board continues until June 30, 2012.

32.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
32.34 and later.

32.35 Sec. 50. **[126C.195] COMPENSATORY SUPPLEMENTAL FORMULA AID.**

33.1 A district that has an adjusted pupil unit count that is in the top 20 largest adjusted  
33.2 pupil unit counts in the prior school year is eligible for the greater of zero or \$1,400 times  
33.3 the sum of the district's pupils eligible for free lunch and one-half of the district's pupils who  
33.4 are eligible for reduced lunch in the prior school year, minus the amount of compensatory  
33.5 education revenue received by the district under section 126C.10, subdivision 3, times .35.

33.6 Sec. 51. Minnesota Statutes 2012, section 126C.20, is amended to read:  
33.7 **126C.20 ANNUAL GENERAL EDUCATION AID APPROPRIATION.**

33.8 There is annually appropriated from the general fund to the department the  
33.9 amount necessary for general education aid under section 126C.13, ~~the early graduation~~  
33.10 ~~achievement scholarship program under section 120B.08, and the early graduation~~  
33.11 ~~military service award program under section 120B.09.~~ This amount must be reduced by  
33.12 the amount of any money specifically appropriated for the same purpose in any year  
33.13 from any state fund.

33.14 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2014 and  
33.15 later.

33.16 Sec. 52. Minnesota Statutes 2012, section 126C.40, subdivision 1, is amended to read:

33.17 Subdivision 1. **To lease building or land.** (a) When an independent or a special  
33.18 school district or a group of independent or special school districts finds it economically  
33.19 advantageous to rent or lease a building or land for any instructional purposes or for  
33.20 school storage or furniture repair, and it determines that the operating capital revenue  
33.21 authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may  
33.22 apply to the commissioner for permission to make an additional capital expenditure levy  
33.23 for this purpose. An application for permission to levy under this subdivision must contain  
33.24 financial justification for the proposed levy, the terms and conditions of the proposed  
33.25 lease, and a description of the space to be leased and its proposed use.

33.26 (b) The criteria for approval of applications to levy under this subdivision must  
33.27 include: the reasonableness of the price, the appropriateness of the space to the proposed  
33.28 activity, the feasibility of transporting pupils to the leased building or land, conformity  
33.29 of the lease to the laws and rules of the state of Minnesota, and the appropriateness of  
33.30 the proposed lease to the space needs and the financial condition of the district. The  
33.31 commissioner must not authorize a levy under this subdivision in an amount greater than  
33.32 the cost to the district of renting or leasing a building or land for approved purposes.  
33.33 The proceeds of this levy must not be used for custodial or other maintenance services.  
34.1 A district may not levy under this subdivision for the purpose of leasing or renting a  
34.2 district-owned building or site to itself.

34.3 (c) For agreements finalized after July 1, 1997, a district may not levy under this  
34.4 subdivision for the purpose of leasing: (1) a newly constructed building used primarily  
34.5 for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed  
34.6 building addition or additions used primarily for regular kindergarten, elementary, or  
34.7 secondary instruction that contains more than 20 percent of the square footage of the  
34.8 previously existing building.

34.9 (d) Notwithstanding paragraph (b), a district may levy under this subdivision for the  
34.10 purpose of leasing or renting a district-owned building or site to itself only if the amount  
34.11 is needed by the district to make payments required by a lease purchase agreement,  
34.12 installment purchase agreement, or other deferred payments agreement authorized by law,  
34.13 and the levy meets the requirements of paragraph (c). A levy authorized for a district by  
34.14 the commissioner under this paragraph may be in the amount needed by the district to  
34.15 make payments required by a lease purchase agreement, installment purchase agreement,  
34.16 or other deferred payments agreement authorized by law, provided that any agreement  
34.17 include a provision giving the school districts the right to terminate the agreement  
34.18 annually without penalty.

34.19 (e) The total levy under this subdivision for a district for any year must not exceed  
34.20 ~~\$150~~ \$162 times the ~~resident~~ adjusted pupil units for the fiscal year to which the levy  
34.21 is attributable.

34.22 (f) For agreements for which a review and comment have been submitted to the  
34.23 Department of Education after April 1, 1998, the term "instructional purpose" as used in  
34.24 this subdivision excludes expenditures on stadiums.

34.25 (g) The commissioner of education may authorize a school district to exceed the  
34.26 limit in paragraph (e) if the school district petitions the commissioner for approval. The  
34.27 commissioner shall grant approval to a school district to exceed the limit in paragraph (e)  
34.28 for not more than five years if the district meets the following criteria:

34.29 (1) the school district has been experiencing pupil enrollment growth in the  
34.30 preceding five years;

34.31 (2) the purpose of the increased levy is in the long-term public interest;

34.32 (3) the purpose of the increased levy promotes colocation of government services; and

34.33 (4) the purpose of the increased levy is in the long-term interest of the district by  
34.34 avoiding over construction of school facilities.

34.35 (h) A school district that is a member of an intermediate school district may include  
34.36 in its authority under this section the costs associated with leases of administrative and  
35.1 classroom space for intermediate school district programs. This authority must not  
35.2 exceed ~~\$43~~ \$46 times the adjusted ~~marginal~~ cost pupil units of the member districts. This  
35.3 authority is in addition to any other authority authorized under this section.

35.4 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in  
35.5 2012 to 2023, a district that is a member of the "Technology and Information Education  
35.6 Systems" data processing joint board, that finds it economically advantageous to enter into  
35.7 a lease agreement to finance improvements to a building and land for a group of school  
35.8 districts or special school districts for staff development purposes, may levy for its portion  
35.9 of lease costs attributed to the district within the total levy limit in paragraph (e). The total  
35.10 levy authority under this paragraph shall not exceed \$632,000.

21.21 Sec. 24. Minnesota Statutes 2012, section 126C.40, subdivision 6, is amended to read:

21.22 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval  
21.23 by, the commissioner in accordance with the procedures and limits in subdivision 1,  
21.24 paragraphs (a) and (b), a district, as defined in this subdivision, may:

21.25 (1) purchase real or personal property under an installment contract or may lease  
21.26 real or personal property with an option to purchase under a lease purchase agreement, by  
21.27 which installment contract or lease purchase agreement title is kept by the seller or vendor  
21.28 or assigned to a third party as security for the purchase price, including interest, if any; and

21.29 (2) annually levy the amounts necessary to pay the district's obligations under the  
21.30 installment contract or lease purchase agreement.

21.31 (b) The obligation created by the installment contract or the lease purchase  
21.32 agreement must not be included in the calculation of net debt for purposes of section  
21.33 475.53, and does not constitute debt under other law. An election is not required in  
21.34 connection with the execution of the installment contract or the lease purchase agreement.

22.1 (c) The proceeds of the levy authorized by this subdivision must not be used to  
22.2 acquire a facility to be primarily used for athletic or school administration purposes.

22.3 (d) For the purposes of this subdivision, "district" means:

35.11 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the  
35.12 purpose of leasing administrative space if the district can demonstrate to the satisfaction of  
35.13 the commissioner that the lease cost for the administrative space is no greater than the  
35.14 lease cost for instructional space that the district would otherwise lease. The commissioner  
35.15 must deny this levy authority unless the district passes a resolution stating its intent to  
35.16 lease instructional space under this section if the commissioner does not grant authority  
35.17 under this paragraph. The resolution must also certify that the lease cost for administrative  
35.18 space under this paragraph is no greater than the lease cost for the district's proposed  
35.19 instructional lease.

35.20 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
35.21 and later.

35.22 Sec. 53. Minnesota Statutes 2012, section 126C.40, subdivision 6, is amended to read:

35.23 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval  
35.24 by, the commissioner in accordance with the procedures and limits in subdivision 1,  
35.25 paragraphs (a) and (b), a district, as defined in this subdivision, may:

35.26 (1) purchase real or personal property under an installment contract or may lease  
35.27 real or personal property with an option to purchase under a lease purchase agreement, by  
35.28 which installment contract or lease purchase agreement title is kept by the seller or vendor  
35.29 or assigned to a third party as security for the purchase price, including interest, if any; and

35.30 (2) annually levy the amounts necessary to pay the district's obligations under the  
35.31 installment contract or lease purchase agreement.

35.32 (b) The obligation created by the installment contract or the lease purchase  
35.33 agreement must not be included in the calculation of net debt for purposes of section  
35.34 475.53, and does not constitute debt under other law. An election is not required in  
35.35 connection with the execution of the installment contract or the lease purchase agreement.

36.1 (c) The proceeds of the levy authorized by this subdivision must not be used to  
36.2 acquire a facility to be primarily used for athletic or school administration purposes.

36.3 (d) For the purposes of this subdivision, "district" means:

22.4 (1) ~~a school district which is eligible for revenue under section 124D.86, subdivision~~  
 22.5 ~~3, clause (1), (2), or (3), and whose Special School District No. 1, Minneapolis;~~  
 22.6 ~~Independent School District No. 625, St. Paul; Independent School District No. 709,~~  
 22.7 ~~Duluth; or Independent School District No. 535, Rochester, if the district's desegregation~~  
 22.8 ~~plan has been determined by the commissioner to be in compliance with Department of~~  
 22.9 ~~Education rules relating to equality of educational opportunity and school desegregation~~  
 22.10 ~~and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4)~~  
 22.11 ~~or (5); where the acquisition of property under this subdivision is determined by the~~  
 22.12 ~~commissioner to contribute to the implementation of the desegregation plan; or~~

22.13 (2) ~~a school district that participates in a joint program for interdistrict desegregation~~  
 22.14 ~~with a district defined in clause (1) other districts eligible for revenue under section~~  
 22.15 ~~124D.862 if the facility acquired under this subdivision is to be primarily used for the a~~  
 22.16 ~~joint program for interdistrict desegregation and the commissioner determines that the~~  
 22.17 ~~joint programs are being undertaken to implement the districts' desegregation plan.~~

22.18 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease  
 22.19 or rent a district-owned building to itself does not apply to levies otherwise authorized  
 22.20 by this subdivision.

22.21 (f) For the purposes of this subdivision, any references in subdivision 1 to building  
 22.22 or land shall include personal property.

22.23 Sec. 25. Minnesota Statutes 2012, section 126C.44, is amended to read:  
 22.24 **126C.44 SAFE SCHOOLS LEVY.**

36.4 (1) ~~a school district which is eligible for revenue under section 124D.86, subdivision~~  
 36.5 ~~3, clause (1), (2), or (3), and whose Special School District No. 1, Minneapolis;~~  
 36.6 ~~Independent School District No. 625, St. Paul, Independent School District No. 709,~~  
 36.7 ~~Duluth, or Independent School District No. 535, Rochester, if the district's desegregation~~  
 36.8 ~~plan has been determined by the commissioner to be in compliance with Department of~~  
 36.9 ~~Education rules relating to equality of educational opportunity and school desegregation~~  
 36.10 ~~and, for a district eligible for revenue under section 124D.86, subdivision 3, clause (4)~~  
 36.11 ~~or (5); where the acquisition of property under this subdivision is determined by the~~  
 36.12 ~~commissioner to contribute to the implementation of the desegregation plan; or~~

36.13 (2) ~~a school district that participates in a joint program for interdistrict desegregation~~  
 36.14 ~~with a district defined in clause (1) other districts eligible for revenue under section~~  
 36.15 ~~124D.862 if the facility acquired under this subdivision is to be primarily used for the a~~  
 36.16 ~~joint program for interdistrict desegregation and the commissioner determines that the~~  
 36.17 ~~joint programs are being undertaken to implement the districts' desegregation plan.~~

36.18 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease  
 36.19 or rent a district-owned building to itself does not apply to levies otherwise authorized  
 36.20 by this subdivision.

36.21 (f) For the purposes of this subdivision, any references in subdivision 1 to building  
 36.22 or land shall include personal property.

36.23 Sec. 54. Minnesota Statutes 2012, section 126C.44, is amended to read:  
 36.24 **126C.44 SAFE SCHOOLS SUPPLEMENTAL LEVY; INTERMEDIATE**  
 36.25 **SCHOOL DISTRICTS.**

22.25 (a) Each district may make a levy on all taxable property located within the district  
 22.26 for the purposes specified in this section. The maximum amount which may be levied for  
 22.27 all costs under this section shall be equal to ~~\$30~~ \$35 multiplied by the district's adjusted  
 22.28 marginal cost pupil units for the school year. The proceeds of the levy must be reserved  
 22.29 and used for directly funding the following purposes or for reimbursing the cities and  
 22.30 counties who contract with the district for the following purposes:

22.31 (1) to pay the costs incurred for the salaries, benefits, and transportation costs of  
 22.32 peace officers and sheriffs for liaison in services in the district's schools;

22.33 (2) to pay the costs for a drug abuse prevention program as defined in section  
 22.34 609.101, subdivision 3, paragraph (e), in the elementary schools;

23.1 (3) to pay the costs for a gang resistance education training curriculum in the  
 23.2 district's schools;

23.3 (4) to pay the costs for security in the district's schools and on school property;

23.4 (5) to pay the costs for other crime prevention, drug abuse, student and staff safety,  
 23.5 voluntary opt-in suicide prevention tools, and violence prevention measures taken by  
 23.6 the school district; or

23.7 (6) to pay costs for licensed school counselors, licensed school nurses, licensed  
 23.8 school social workers, licensed school psychologists, and licensed alcohol and chemical  
 23.9 dependency counselors to help provide early responses to problems;

23.10 (7) to pay for facility security enhancements including laminated glass, public  
 23.11 announcement systems, emergency communications devices, and equipment and facility  
 23.12 modifications related to violence prevention and facility security;

23.13 (8) to pay for costs associated with improving the school climate; or

~~36.26 (a) Each district may make a levy on all taxable property located within the district  
 36.27 for the purposes specified in this section. The maximum amount which may be levied  
 36.28 for all costs under this section shall be equal to \$30 multiplied by the district's adjusted  
 36.29 marginal cost pupil units for the school year. The proceeds of the levy must be reserved and  
 36.30 used for directly funding the following purposes or for reimbursing the cities and counties  
 36.31 who contract with the district for the following purposes: (1) to pay the costs incurred for  
 36.32 the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in  
 36.33 services in the district's schools; (2) to pay the costs for a drug abuse prevention program  
 36.34 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;  
 36.35 (3) to pay the costs for a gang resistance education training curriculum in the district's  
 37.1 schools; (4) to pay the costs for security in the district's schools and on school property; (5)  
 37.2 to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary  
 37.3 opt-in suicide prevention tools, and violence prevention measures taken by the school  
 37.4 district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed  
 37.5 school social workers, licensed school psychologists, and licensed alcohol and chemical  
 37.6 dependency counselors to help provide early responses to problems. For expenditures  
 37.7 under clause (1), the district must initially attempt to contract for services to be provided  
 37.8 by peace officers or sheriffs with the police department of each city or the sheriff's  
 37.9 department of the county within the district containing the school receiving the services. If  
 37.10 a local police department or a county sheriff's department does not wish to provide the  
 37.11 necessary services, the district may contract for these services with any other police or  
 37.12 sheriff's department located entirely or partially within the school district's boundaries.~~



23.14 (9) to pay costs associated with mental health services.

23.15 (b) For expenditures under paragraph (a), clause (1), the district must initially  
 23.16 attempt to contract for services to be provided by peace officers or sheriffs with the  
 23.17 police department of each city or the sheriff's department of the county within the district  
 23.18 containing the school receiving the services. If a local police department or a county  
 23.19 sheriff's department does not wish to provide the necessary services, the district may  
 23.20 contract for these services with any other police or sheriff's department located entirely or  
 23.21 partially within the school district's boundaries.

23.22 (b) (c) A school district that is a member of an intermediate school district may  
 23.23 include in its authority under this section the costs associated with safe schools activities  
 23.24 authorized under paragraph (a) for intermediate school district programs. This authority  
 23.25 must not exceed \$10 times the adjusted marginal cost pupil units of the member districts.  
 23.26 This authority is in addition to any other authority authorized under this section. Revenue  
 23.27 raised under this paragraph must be transferred to the intermediate school district.

23.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
 23.29 and later.

23.30 Sec. 26. Minnesota Statutes 2012, section 126C.48, subdivision 8, is amended to read:

23.31 Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies  
 23.32 pursuant to subdivision 1 must be made prior to the reductions in clause (2).

23.33 (2) Notwithstanding any other law to the contrary, districts that have revenue  
 23.34 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed  
 23.35 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34  
 24.1 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon  
 24.2 severed mineral values must reduce the levies authorized by this chapter and chapters  
 24.3 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the  
 24.4 previous year's revenue specified under this clause and the amount attributable to the same  
 24.5 production year distributed to the cities and townships within the school district under  
 24.6 section 298.28, subdivision 2, paragraph (c).

37.13 (b) A school district that is a member of an intermediate school district may ~~include~~  
 37.14 ~~in its authority under this section~~ make a levy on all taxable property located within the  
 37.15 district for the costs associated with safe schools activities authorized under ~~paragraph~~  
 37.16 ~~(a) for intermediate school district programs~~ section 126C.10, subdivision 2g, at an  
 37.17 intermediate school district. This authority must not exceed \$10 ~~\$11~~ times the adjusted  
 37.18 ~~marginal cost~~ pupil units of the member districts. ~~This authority is in addition to any other~~  
 37.19 ~~authority authorized under this section.~~ Revenue raised under this paragraph section must  
 37.20 be transferred to the intermediate school district.

24.7 (3) The amount of any voter approved referendum, facilities down payment, and  
 24.8 debt levies shall not be reduced by more than 50 percent under this subdivision. In  
 24.9 administering this paragraph, the commissioner shall first reduce the nonvoter approved  
 24.10 levies of a district; then, if any payments, severed mineral value tax revenue or recognized  
 24.11 revenue under paragraph (2) remains, the commissioner shall reduce any voter approved  
 24.12 referendum levies authorized under section 126C.17; then, if any payments, severed  
 24.13 mineral value tax revenue or recognized revenue under paragraph (2) remains, the  
 24.14 commissioner shall reduce any voter approved facilities down payment levies authorized  
 24.15 under section 123B.63 and then, if any payments, severed mineral value tax revenue or  
 24.16 recognized revenue under paragraph (2) remains, the commissioner shall reduce any  
 24.17 voter approved debt levies.

24.18 (4) Before computing the reduction pursuant to this subdivision of the health and  
 24.19 safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner  
 24.20 shall ascertain from each affected school district the amount it proposes to levy under  
 24.21 each section or subdivision. The reduction shall be computed on the basis of the amount  
 24.22 so ascertained.

24.23 (5) To the extent the levy reduction calculated under paragraph (2) exceeds the  
 24.24 limitation in paragraph (3), an amount equal to the excess must be distributed from the  
 24.25 school district's distribution under sections 298.225, 298.28, and 477A.15 in the following  
 24.26 year to the cities and townships within the school district in the proportion that their  
 24.27 taxable net tax capacity within the school district bears to the taxable net tax capacity of  
 24.28 the school district for property taxes payable in the year prior to distribution. No city or  
 24.29 township shall receive a distribution greater than its levy for taxes payable in the year prior  
 24.30 to distribution. The commissioner of revenue shall certify the distributions of cities and  
 24.31 towns under this paragraph to the county auditor by September 30 of the year preceding  
 24.32 distribution. The county auditor shall reduce the proposed and final levies of cities and  
 24.33 towns receiving distributions by the amount of their distribution. Distributions to the cities  
 24.34 and towns shall be made at the times provided under section 298.27.

24.35 **EFFECTIVE DATE.** This section is effective for levies certified in 2014 and later.

25.1 Sec. 27. Minnesota Statutes 2012, section 127A.47, subdivision 7, is amended to read:

25.2 Subd. 7. **Alternative attendance programs.** (a) The general education aid and  
 25.3 special education aid for districts must be adjusted for each pupil attending a nonresident  
 25.4 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The  
 25.5 adjustments must be made according to this subdivision.

25.6 (a) (b) General education aid paid to a resident district must be reduced by an amount  
 25.7 equal to the referendum equalization aid attributable to the pupil in the resident district.

37.21 Sec. 55. Minnesota Statutes 2012, section 127A.47, subdivision 7, is amended to read:

37.22 Subd. 7. **Alternative attendance programs.** (a) The general education aid and  
 37.23 special education aid for districts must be adjusted for each pupil attending a nonresident  
 37.24 district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The  
 37.25 adjustments must be made according to this subdivision.

37.26 (a) General education aid paid to a resident district must be reduced by an amount  
 37.27 equal to the referendum equalization aid attributable to the pupil in the resident district.

25.8 ~~(b)~~ (c) General education aid paid to a district serving a pupil in programs listed in  
 25.9 this subdivision must be increased by an amount equal to the greater of (1) the referendum  
 25.10 equalization aid attributable to the pupil in the nonresident district; or (2) the product of  
 25.11 the district's open enrollment concentration index, the maximum amount of referendum  
 25.12 revenue in the first tier, and the district's net open enrollment pupil units for that year. A  
 25.13 district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the  
 25.14 lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units  
 25.15 served to its resident pupil units for that year and 0.2. This clause does not apply to a  
 25.16 school district where more than 50 percent of the open enrollment students are enrolled  
 25.17 solely in online learning courses.

25.18 ~~(e)~~ (d) If the amount of the reduction to be made from the general education aid of the  
 25.19 resident district is greater than the amount of general education aid otherwise due the  
 25.20 district, the excess reduction must be made from other state aids due the district.

25.21 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an  
 25.22 area learning center, operated according to paragraph (f), providing special instruction and  
 25.23 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in  
 25.24 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must  
 25.25 be equal to (1) the actual cost of providing special instruction and services to the pupil,  
 25.26 including a proportionate amount for special transportation and unreimbursed building  
 25.27 lease and debt service costs for facilities used primarily for special education, minus (2)  
 25.28 if the pupil receives special instruction and services outside the regular classroom for  
 25.29 more than 60 percent of the school day, the amount of general education revenue and  
 25.30 referendum aid attributable to that pupil for the portion of time the pupil receives special  
 25.31 instruction and services outside of the regular classroom, excluding portions attributable to  
 25.32 district and school administration, district support services, operations and maintenance,  
 25.33 capital expenditures, and pupil transportation, minus (3) special education aid attributable  
 25.34 to that pupil, that is received by the district providing special instruction and services.  
 25.35 For purposes of this paragraph, general education revenue and referendum equalization  
 26.1 aid attributable to a pupil must be calculated using the serving district's average general  
 26.2 education revenue and referendum equalization aid per adjusted pupil unit.

37.28 ~~(b)~~ General education aid paid to a district serving a pupil in programs listed in this  
 37.29 subdivision must be increased by an amount equal to the greater of (1) the referendum  
 37.30 equalization aid attributable to the pupil in the nonresident district; or (2) the product of  
 37.31 the district's open enrollment concentration index, the maximum amount of referendum  
 37.32 revenue in the first tier, and the district's net open enrollment pupil units for that year. A  
 37.33 district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the  
 37.34 lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units  
 37.35 served to its resident pupil units for that year and 0.2. This clause does not apply to a  
 38.1 school district where more than 50 percent of the open enrollment students are enrolled  
 38.2 solely in online learning courses.

38.3 (e) If the amount of the reduction to be made from the general education aid of the  
 38.4 resident district is greater than the amount of general education aid otherwise due the  
 38.5 district, the excess reduction must be made from other state aids due the district.

38.6 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an  
 38.7 area learning center, operated according to paragraph (f), providing special instruction and  
 38.8 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in  
 38.9 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must  
 38.10 be equal to (1) the actual cost of providing special instruction and services to the pupil,  
 38.11 including a proportionate amount for special transportation and unreimbursed building  
 38.12 lease and debt service costs for facilities used primarily for special education, minus (2)  
 38.13 if the pupil receives special instruction and services outside the regular classroom for  
 38.14 more than 60 percent of the school day, the amount of general education revenue and  
 38.15 referendum aid attributable to that pupil for the portion of time the pupil receives special  
 38.16 instruction and services outside of the regular classroom, excluding portions attributable to  
 38.17 district and school administration, district support services, operations and maintenance,  
 38.18 capital expenditures, and pupil transportation, minus (3) special education aid attributable  
 38.19 to that pupil, that is received by the district providing special instruction and services.  
 38.20 For purposes of this paragraph, general education revenue and referendum equalization  
 38.21 aid attributable to a pupil must be calculated using the serving district's average general  
 38.22 education revenue and referendum equalization aid per adjusted pupil unit.

~~26.3 (e) For fiscal year 2007 and later, special education aid paid to a resident district must~~  
~~26.4 be reduced by an amount equal to~~ For purposes of this subdivision, the "unreimbursed  
~~26.5 cost of providing special education and services" means the difference between: (1) the~~  
~~26.6 actual cost of providing special instruction and services, including special transportation~~  
~~26.7 and unreimbursed building lease and debt service costs for facilities used primarily for~~  
~~26.8 special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as~~  
~~26.9 defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus~~  
~~26.10 (2) if the pupil receives special instruction and services outside the regular classroom for~~  
~~26.11 more than 60 percent of the school day, the amount of general education revenue and~~  
~~26.12 referendum equalization aid attributable to that pupil for the portion of time the pupil~~  
~~26.13 receives special instruction and services outside of the regular classroom, excluding~~  
~~26.14 portions attributable to district and school administration, district support services,~~  
~~26.15 operations and maintenance, capital expenditures, and pupil transportation, minus (3)~~  
~~26.16 special education aid under section 125A.76 attributable to that pupil, that is received by~~  
~~26.17 the district providing special instruction and services. For purposes of this paragraph,~~  
~~26.18 general education revenue and referendum equalization aid attributable to a pupil must be~~  
~~26.19 calculated using the serving district's average general education revenue and referendum~~  
~~26.20 equalization aid per adjusted pupil unit.~~

~~26.21 (f) For fiscal year 2015 and later, special education aid paid to a resident district~~  
~~26.22 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing~~  
~~26.23 special education and services.~~

~~26.24 (g) Notwithstanding paragraph (f), special education aid paid to a resident district~~  
~~26.25 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special~~  
~~26.26 education and services provided to students at an intermediate district, cooperative, or~~  
~~26.27 charter school where the percent of students eligible for special education services is at~~  
~~26.28 least 70 percent of the charter school's total enrollment.~~

~~26.29 (h) Special education aid paid to the district or cooperative providing special~~  
~~26.30 instruction and services for the pupil, or to the fiscal agent district for a cooperative,~~  
~~26.31 must be increased by the amount of the reduction in the aid paid to the resident district~~  
~~26.32 under paragraphs (f) and (g). If the resident district's special education aid is insufficient~~  
~~26.33 to make the full adjustment, the remaining adjustment shall be made to other state aids~~  
~~26.34 due to the district.~~

~~26.35 (f) (i) An area learning center operated by a service cooperative, intermediate~~  
~~26.36 district, education district, or a joint powers cooperative may elect through the action of~~  
~~27.1 the constituent boards to charge the resident district tuition for pupils rather than to have~~  
~~27.2 the general education revenue paid to a fiscal agent school district. Except as provided in~~  
~~27.3 paragraph (d) or (e) (f) or (g), the district of residence must pay tuition equal to at least 90~~  
~~27.4 percent of the district average general education revenue per pupil unit minus an amount~~  
~~27.5 equal to the product of the formula allowance according to section 126C.10, subdivision~~  
~~27.6 2, times .0485, calculated without compensatory revenue and transportation sparsity~~  
~~27.7 revenue, times the number of pupil units for pupils attending the area learning center.~~

~~38.23 (e) For fiscal year 2007 and later, special education aid paid to a resident district must~~  
~~38.24 be reduced by an amount equal to~~ (b) For purposes of this subdivision, the "unreimbursed  
~~38.25 cost of providing special education and services" means the difference between: (1) the~~  
~~38.26 actual cost of providing special instruction and services, including special transportation~~  
~~38.27 and unreimbursed building lease and debt service costs for facilities used primarily for~~  
~~38.28 special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as~~  
~~38.29 defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus~~  
~~38.30 (2) if the pupil receives special instruction and services outside the regular classroom for~~  
~~38.31 more than 60 percent of the school day, the amount of general education revenue and~~  
~~38.32 referendum equalization aid attributable to that pupil for the portion of time the pupil~~  
~~38.33 receives special instruction and services outside of the regular classroom, excluding~~  
~~38.34 portions attributable to district and school administration, district support services,~~  
~~38.35 operations and maintenance, capital expenditures, and pupil transportation, minus (3)~~  
~~38.36 special education aid under section 125A.76 attributable to that pupil, that is received by~~  
~~39.1 the district providing special instruction and services. For purposes of this paragraph,~~  
~~39.2 general education revenue and referendum equalization aid attributable to a pupil must be~~  
~~39.3 calculated using the serving district's average general education revenue and referendum~~  
~~39.4 equalization aid per adjusted pupil unit.~~

~~39.5 (c) For fiscal year 2015 and later, special education aid paid to a resident district~~  
~~39.6 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing~~  
~~39.7 special education and services.~~

~~39.8 (d) Notwithstanding paragraph (c), special education aid paid to a resident district~~  
~~39.9 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special~~  
~~39.10 education and services provided to students at an intermediate district, cooperative, or~~  
~~39.11 charter school where the percent of students eligible for special education services is at~~  
~~39.12 least 70 percent of the charter school's total enrollment.~~

~~39.13 (e) Special education aid paid to the district or cooperative providing special~~  
~~39.14 instruction and services for the pupil, or to the fiscal agent district for a cooperative,~~  
~~39.15 must be increased by the amount of the reduction in the aid paid to the resident district~~  
~~39.16 under paragraphs (c) and (d). If the resident district's special education aid is insufficient~~  
~~39.17 to make the full adjustment, the remaining adjustment shall be made to other state aids~~  
~~39.18 due to the district.~~

~~39.19 (f) An area learning center operated by a service cooperative, intermediate district,~~  
~~39.20 education district, or a joint powers cooperative may elect through the action of the~~  
~~39.21 constituent boards to charge the resident district tuition for pupils rather than to have the~~  
~~39.22 general education revenue paid to a fiscal agent school district. Except as provided in~~  
~~39.23 paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent~~  
~~39.24 of the district average general education revenue per pupil unit minus an amount equal~~  
~~39.25 to the product of the formula allowance according to section 126C.10, subdivision 2,~~  
~~39.26 times .0485 .0465, calculated without compensatory revenue and transportation sparsity~~  
~~39.27 revenue, times the number of pupil units for pupils attending the area learning center.~~

27.8 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
27.9 and later.

39.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
39.29 and later.

39.30 Sec. 56. Minnesota Statutes 2012, section 127A.47, subdivision 8, is amended to read:

39.31 Subd. 8. **Charter schools.** (a) The general education aid for districts must be  
39.32 adjusted for each pupil attending a charter school under section 124D.10. The adjustments  
39.33 must be made according to this subdivision.

40.1 (b) General education aid paid to a district in which a charter school not providing  
40.2 transportation according to section 124D.10, subdivision 16, is located must be increased  
40.3 by an amount equal to the sum of:

40.4 (1) the product of: (i) the sum of an amount equal to the product of the formula  
40.5 allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0465, plus the  
40.6 transportation sparsity allowance for the district; times (ii) the adjusted ~~marginal cost~~  
40.7 pupil units attributable to the pupil; plus

40.8 (2) the product of \$223 and the extended time marginal cost pupil units attributable  
40.9 to the pupil.

40.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
40.11 and later.

40.12 Sec. 57. Minnesota Statutes 2012, section 127A.51, is amended to read:

40.13 **127A.51 STATEWIDE AVERAGE REVENUE.**

40.14 By October 1 of each year the commissioner must estimate the statewide average  
40.15 adjusted general revenue per adjusted ~~marginal cost~~ pupil unit and the disparity in adjusted  
40.16 general revenue among pupils and districts by computing the ratio of the 95th percentile  
40.17 to the fifth percentile of adjusted general revenue. The commissioner must provide that  
40.18 information to all districts.

40.19 If the disparity in adjusted general revenue as measured by the ratio of the 95th  
40.20 percentile to the fifth percentile increases in any year, the commissioner shall recommend  
40.21 to the legislature options for change in the general education formula that will limit the  
40.22 disparity in adjusted general revenue to no more than the disparity for the previous  
40.23 school year. The commissioner must submit the recommended options to the education  
40.24 committees of the legislature by January 15.

40.25 For purposes of this section and section 126C.10, adjusted general revenue means:

40.26 ~~(1) for fiscal year 2002, the sum of basic revenue under section 126C.10, subdivision~~  
40.27 ~~2; supplemental revenue under section 126C.10, subdivisions 9 and 12; transition revenue~~  
40.28 ~~under section 126C.10, subdivision 20; referendum revenue under section 126C.17; and~~  
40.29 ~~equity revenue under section 126C.10, subdivisions 24a and 24b; and~~  
  
40.30 ~~(2) for fiscal year 2003 and later, the sum of basic revenue under section 126C.10,~~  
40.31 ~~subdivision 2; referendum revenue under section 126C.17; and equity revenue under~~  
40.32 ~~section 126C.10, subdivisions 24a and 24b~~ subdivision 24.  
  
40.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015  
40.34 and later.

**NOTE: ARTICLE 1, SECTIONS 58 AND 59 MATCHED WITH HOUSE ARTICLE 6, SECTIONS 2 AND 3**

27.10 Sec. 28. **EQUITY AID; FISCAL YEAR 2014.**

27.11 For fiscal year 2014 only, the commissioner must calculate and pay to school  
27.12 districts in state aid the difference between the equity revenue actually received under  
27.13 Minnesota Statutes, section 126C.10, and the amount the district would have received  
27.14 under Minnesota Statutes 2012, section 126C.10.

41.27 Sec. 60. **SCHOOL DISTRICT LEVY ADJUSTMENTS.**

41.28 Subdivision 1. **Tax rate adjustment.** The commissioner of education must adjust  
41.29 each school district tax rate established under Minnesota Statutes, chapters 120B to 127A,  
41.30 by multiplying the rate by the ratio of the statewide total tax capacity for assessment year  
41.31 2012 as it existed prior to the passage of Regular Session 2013 House File No. 677, or  
41.32 a similarly styled bill passed in a special session, to the statewide total tax capacity for  
41.33 assessment year 2012.

42.1 Subd. 2. **Equalizing factors.** The commissioner of education must adjust each  
42.2 school district equalizing factor established under Minnesota Statutes, chapters 120B to  
42.3 127A, by dividing the equalizing factor by the ratio of the statewide total tax capacity for  
42.4 assessment year 2012 as it existed prior to the passage of Regular Session 2013 House  
42.5 File No. 677, or a similarly styled bill passed in a special session, to the statewide total tax  
42.6 capacity for assessment year 2012.

27.15 Sec. 29. **APPROPRIATIONS.**

42.7 Sec. 61. **APPROPRIATIONS.**

27.16 Subdivision 1. **Department of Education.** The sums indicated in this section are  
27.17 appropriated from the general fund to the Department of Education for the fiscal years  
27.18 designated.

27.19 Subd. 2. **General education aid.** For general education aid under Minnesota  
27.20 Statutes, section 126C.13, subdivision 4:

27.21	\$	<u>6,092,415,000</u>	<u>.....</u>	<u>2014</u>
27.22	\$	<u>6,440,890,000</u>	<u>.....</u>	<u>2015</u>

27.23 The 2014 appropriation includes \$781,842,000 for 2013 and \$5,310,573,000 for  
27.24 2014.

27.25 The 2015 appropriation includes \$808,460,000 for 2014 and \$5,632,430,000 for  
27.26 2015.

27.27 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending  
27.28 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
27.29 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

27.30	\$	<u>44,000</u>	<u>.....</u>	<u>2014</u>
27.31	\$	<u>48,000</u>	<u>.....</u>	<u>2015</u>

28.1 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
28.2 127A.49:

28.3	\$	<u>2,747,000</u>	<u>.....</u>	<u>2014</u>
28.4	\$	<u>3,136,000</u>	<u>.....</u>	<u>2015</u>

28.5 The 2014 appropriation includes \$301,000 for 2013 and \$2,446,000 for 2014.

28.6 The 2015 appropriation includes \$385,000 for 2014 and \$2,751,000 for 2015.

28.7 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota  
28.8 Statutes, section 123A.485:

42.8 Subdivision 1. **Department of Education.** The sums indicated in this section are  
42.9 appropriated from the general fund to the Department of Education for the fiscal years  
42.10 designated.

42.11 Subd. 2. **General education aid.** For general education aid under Minnesota  
42.12 Statutes, section 126C.13, subdivision 4:

42.13	\$	<u>6,045,457,000</u>	<u>.....</u>	<u>2014</u>
42.14	\$	<u>6,351,602,000</u>	<u>.....</u>	<u>2015</u>

42.15 The 2014 appropriation includes \$781,842,000 for 2013 and \$5,263,615,000 for  
42.16 2014.

42.17 The 2015 appropriation includes \$857,828,000 for 2014 and \$5,493,774,000 for  
42.18 2015.

42.19 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending  
42.20 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
42.21 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

42.22	\$	<u>44,000</u>	<u>.....</u>	<u>2014</u>
42.23	\$	<u>48,000</u>	<u>.....</u>	<u>2015</u>

42.24 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
42.25 127A.49:

42.26	\$	<u>2,722,000</u>	<u>.....</u>	<u>2014</u>
42.27	\$	<u>3,133,000</u>	<u>.....</u>	<u>2015</u>

42.28 The 2014 appropriation includes \$301,000 for 2013 and \$2,421,000 for 2014.

42.29 The 2015 appropriation includes \$410,000 for 2014 and \$2,723,000 for 2015.

42.30 Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota  
42.31 Statutes, section 123A.485:

## House Language H0630-3

## Senate Language UEH0630-1

28.9       \$       472,000   ..... 2014

28.10     \$       480,000   ..... 2015

28.11 The 2014 appropriation includes \$40,000 for 2013 and \$432,000 for 2014.

28.12 The 2015 appropriation includes \$68,000 for 2014 and \$412,000 for 2015.

28.13 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under

28.14 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

28.15     \$       15,660,000   ..... 2014

28.16     \$       16,324,000   ..... 2015

28.17 The 2014 appropriation includes \$2,099,000 for 2013 and \$13,561,000 for 2014.

28.18 The 2015 appropriation includes \$2,121,000 for 2014 and \$14,203,000 for 2015.

28.19 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid

28.20 under Minnesota Statutes, section 123B.92, subdivision 9:

28.21     \$       18,656,000   ..... 2014

28.22     \$       19,127,000   ..... 2015

28.23 The 2014 appropriation includes \$2,668,000 for 2013 and \$15,988,000 for 2014.

28.24 The 2015 appropriation includes \$2,501,000 for 2014 and \$16,626,000 for 2015.

28.25 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.

28.26 690, Warroad, to operate the Angle Inlet School:

28.27     \$       65,000   ..... 2014

28.28     \$       65,000   ..... 2015

43.1       \$       468,000   ..... 2014

43.2       \$       479,000   ..... 2015

43.3 The 2014 appropriation includes \$40,000 for 2013 and \$428,000 for 2014.

43.4 The 2015 appropriation includes \$72,000 for 2014 and \$407,000 for 2015.

43.5 Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under

43.6 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

43.7       \$       15,376,000   ..... 2014

43.8       \$       15,879,000   ..... 2015

43.9 The 2014 appropriation includes \$2,099,000 for 2013 and \$13,277,000 for 2014.

43.10 The 2015 appropriation includes \$2,251,000 for 2014 and \$13,628,000 for 2015.

43.11 Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid

43.12 under Minnesota Statutes, section 123B.92, subdivision 9:

43.13     \$       18,322,000   ..... 2014

43.14     \$       18,607,000   ..... 2015

43.15 The 2014 appropriation includes \$2,668,000 for 2013 and \$15,654,000 for 2014.

43.16 The 2015 appropriation includes \$2,654,000 for 2014 and \$15,953,000 for 2015.

43.17 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.

43.18 690, Warroad, to operate the Angle Inlet School:

43.19     \$       65,000   ..... 2014

43.20     \$       65,000   ..... 2015



28.29 Subd. 9. **Compensatory revenue pilot program.** For grants for participation in the  
28.30 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,  
28.31 article 1, section 50:

28.32       \$       2,325,000   ..... 2014  
  
28.33       \$       2,325,000   ..... 2015

29.1 Of this amount, \$1,500,000 each year is for a grant to Independent School District  
29.2 No. 11, Anoka-Hennepin; \$75,000 each year is for a grant to Independent School District  
29.3 No. 286, Brooklyn Center; \$210,000 each year is for a grant to Independent School  
29.4 District No. 279, Osseo; \$160,000 each year is for a grant to Independent School District  
29.5 No. 281, Robbinsdale; \$165,000 each year is for a grant to Independent School District  
29.6 No. 535, Rochester; \$65,000 each year is for a grant to Independent School District No.  
29.7 833, South Washington County; and \$150,000 each year is for a grant to Independent  
29.8 School District No. 241, Albert Lea.

29.9 If a grant to a specific school district is not awarded, the commissioner may increase  
29.10 the aid amounts to any of the remaining participating school districts.  
  
29.11 This appropriation is part of the base budget for subsequent fiscal years.

43.21 Subd. 9. **Compensatory supplemental formula aid.** For grants for compensatory  
43.22 pilot project formula aid as calculated under Minnesota Statutes, section 126C.195:

43.23       \$       6,278,000   ..... 2014  
  
43.24       \$       4,924,000   ..... 2015

43.25 The 2014 appropriation includes \$2,109,000 for 2013 and \$4,169,000 for 2014.  
43.26 The 2015 appropriation includes \$706,000 for 2014 and \$4,218,000 for 2015.

43.27 Subd. 10. **Compensatory revenue pilot project.** For grants for participation in the  
43.28 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,  
43.29 article 1, section 50, as amended by Laws 2007, chapter 146, article 1, section 21:

43.30       \$       2,325,000   2014  
  
43.31       \$       2,325,000   2015

43.32 Of this amount, \$1,500,000 in each year is for a grant to Independent School District  
43.33 No. 11, Anoka-Hennepin; \$75,000 in each year is for a grant to Independent School District  
44.1 No. 286, Brooklyn Center; \$210,000 in each year is for a grant to Independent School  
44.2 District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School District  
44.3 No. 281, Robbinsdale; \$165,000 in each year is for a grant to Independent School District  
44.4 No. 535, Rochester; \$65,000 in each year is for a grant to Independent School District No.  
44.5 833, South Washington; and \$150,000 in each year is for a grant to Independent School  
44.6 District No. 241, Albert Lea. If a grant to a specific school district is not awarded, the  
44.7 commissioner may increase the aid amounts to any of the remaining participating school  
44.8 districts. This appropriation is part of the base budget for subsequent fiscal years.

77.32 Subd. 18. **Career and technical aid.** For career and technical aid under Minnesota  
77.33 Statutes, section 124D.4531, subdivision 1b:

78.1	\$	<u>7,551,000</u>	<u>.....</u>	<u>2014</u>
78.2	\$	<u>8,798,000</u>	<u>.....</u>	<u>2015</u>

78.3 The 2014 appropriation includes \$0 for 2014 and \$7,551,000 for 2015.  
78.4 The 2015 appropriation includes \$1,280,000 for 2014 and \$7,518,000 for 2015.

29.12 Sec. 30. **REPEALER.**

29.13 Minnesota Statutes 2012, section 126C.17, subdivision 13, is repealed July 1, 2013.

44.9 Sec. 62. **REPEALER.**

44.10 (a) Minnesota Statutes 2012, sections 120B.08; and 120B.09, are repealed for fiscal  
44.11 year 2014 and later.

44.12 (b) Minnesota Statutes 2012, sections 126C.10, subdivisions 13a, 13b, 25, 26, 28,  
44.13 31a, 31b, 31c, 34, 35, and 36; 126C.17, subdivision 13; and 127A.50, subdivisions 1 and  
44.14 5, are repealed for fiscal year 2015 and later.